

H667MOO1

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK
-----x

3 UNITED STATES OF AMERICA, New York, N.Y.

4 v. 18 Cr. 759 (RMB)

5 JAMES MOORE,

6 Defendant.

7 -----x Jury Trial

8 June 6, 2019
9 9:30 a.m.

10 Before:

11 HON. RICHARD M. BERMAN,

12 District Judge

13

14 APPEARANCES

15 GEOFFREY S. BERMAN
16 United States Attorney for the
17 Southern District of New York
BY: MARTIN BELL
18 VLADISLAV VAINBERG
Assistant United States Attorneys

19 DAVID M. GARVIN, PA
20 Attorney for Defendant

21 ALSO PRESENT:

22 Nathaniel Cooney, Paralegal for U.S. Attorney's Office
Special Agent Jordan Anderson, FBI
Alexandra Garvin, Law Clerk for Defense
Arlene Garvin, Paralegal for Defense

H667MOO1

Haddow - Cross

1 (Trial resumed; jury present)

2 THE COURT: Good morning, everybody. How are you
3 doing? Nice to see you. OK. So we will pick up with the
4 cross-examination by Mr. Garvin.

5 RENWICK HADDOW, resumed.

6 DEPUTY COURT CLERK: Before you begin, I would remind
7 you you are still under oath.

8 THE WITNESS: OK.

9 CROSS EXAMINATION (Continued)

10 BY MR. GARVIN:

11 Q. Good morning, Mr. Haddow.

12 A. Good morning.

13 Q. Mr. Haddow, we're going to back up just a little bit to
14 fill in some gaps so it's not confusing in case we've missed a
15 few items.

16 First I'd like to talk about Defendant's Exhibit 511.
17 You recognize this as the private placement memorandum for Bar
18 Works, sir?

19 A. Yes, I do.

20 Q. And for the benefit of all concerned who do not deal with
21 these documents at all times, a private placement memorandum is
22 a group of documents that are placed together to inform someone
23 about a company's financial aspects; is that correct?

24 A. Well, a bit more than that. It's there to induce people to
25 invest in the opportunity.

H667MOO1

Haddow - Cross

1 Q. And that is why at the bottom of the page, first page, it
2 says private equity placing and convertible loan note offer -
3 August 2015, correct?

4 A. Correct.

5 Q. Now, I turn your attention, sir, to page 7 of this
6 document. And let's be clear, this is a document that you
7 caused to be published; is that correct?

8 A. Correct.

9 Q. And if we look on page 7, it tells us the key parties to
10 the document. And you see that listed there as the attorney
11 for In Crowd Equity is Thompson Bukher. Do you see that?

12 A. I do.

13 Q. Did Thompson Bukher authorize you to place their name on
14 your private placement memorandum?

15 A. No, they didn't.

16 Q. And on the bottom of the page it says the auditor of the
17 company is ProTax Center. Did ProTax Center authorize you to
18 use their name on this private placement?

19 A. No, they didn't.

20 Q. Now I'd like to direct your attention to Defendant's
21 Exhibit 512. That's 5012. Do you recognize this as the
22 business account application for Wells Fargo? Is that correct?

23 A. Yes, it looks like it.

24 Q. And this is for the customer Bar Works; is that correct?

25 A. That's correct.

H667MOO1

Haddow - Cross

1 Q. And you listed yourself, your real name, on the bank
2 documents; isn't that true?

3 A. That's true, yes.

4 Q. And you also represented that you are the sole owner of
5 this business; isn't that true?

6 A. Yes.

7 Q. You also represented that the annual gross sales of the
8 business for the year ending 2014 was \$480,000. Do you see
9 that, sir?

10 A. I do see that, yes.

11 Q. And isn't it a fact that that was a lie?

12 A. That's true, yes.

13 Q. And you signed that document; is that correct?

14 A. That's correct.

15 Q. In 2015; isn't that true?

16 A. That's true, yes.

17 Q. You were the only person who was the authorized signer on
18 that account for Bar Works; isn't that true?

19 A. That's correct.

20 Q. I want to circle back to Defendant's Exhibit 5014 which are
21 the Monterey materials. There was a discussion about the
22 Monterey materials yesterday, and I want to make sure that it's
23 clear. This is the e-mail that accompanied the materials. It
24 was from Jim to you; isn't that correct?

25 A. That's correct.

H667MOO1

Haddow - Cross

1 Q. And in this he says, "Here is the materials we have so far
2 for this."

3 This was following a conversation that he had with you
4 where he was telling you about Monterey; isn't that right?

5 A. It looks like that's the case, yes.

6 Q. So he is saying here, "Could do with a bit of help here -
7 the buy back agreement seems to conflict a bit with the
8 prepurchase agreement - could you look and see what you think."

9 Now, was that being sent to you, or was that what
10 David Kennedy had sent to Jim and then Jim forwarded to you?

11 A. I don't know. All I know is it looks like I received a
12 copy of that e-mail, yes.

13 Q. And with that copy of the e-mail were the materials -- only
14 we have in black and white. What you received were the color
15 copies of the materials; is that correct?

16 A. I don't remember receiving a color copy. I do remember
17 receiving a brochure which looks similar to that, yes.

18 Q. And, to be clear, those materials were sent to you on
19 September 1, 2015, right?

20 A. Yes.

21 Q. So that's before there was any agreement reached with UPG,
22 correct?

23 A. Before any formal agreement was reached, yes.

24 Q. Well, let's go to Exhibit 5035. Isn't it fair to say that
25 as late as November 5 Jim still wasn't clear as to what deal

H667MOO1

Haddow - Cross

1 you had reached with him; isn't that correct?

2 A. No, not totally correct, no.

3 Q. I'm showing you Defendant's 5035. On November 5, 2015 Jim
4 Moore wrote, "Hi Renwick. When you have a minute please jot
5 down how you were proposing the international deal might work
6 between us." He wrote you that on November 5, isn't that
7 correct?

8 A. That's correct.

9 Q. And then he ends it by saying, "I remember the 50/50 part.
10 What was the management element of it? Neil and I want to
11 ensure that we have some ideas pulled together before we meet
12 in two weeks."

13 So, what he is talking about here, sir, is that they
14 were going to propose some ideas to you, and he wasn't clear as
15 to what had been proposed by you; isn't that true?

16 A. The international element of the deal was only a small part
17 of the deal. The major part of the deal as far as I was
18 concerned and as far as Jim was concerned at the outset was the
19 American side of the situation, because that's the one that had
20 the outlets ready to open; that's the one that had a structure
21 in place.

22 The 50/50 deal, which is in writing, was agreed
23 reluctantly by myself. It was agreed. Whether he had an
24 understanding of the management element, I don't know what that
25 refers to, but there was something in place, and there is

H667MOO1

Haddow - Cross

1 e-mails to that effect?

2 Q. Sir, let's go back to what you just said. You said the
3 deal was in writing; is that correct?

4 A. Yes, there's an e-mail from Jim suggesting 50/50, and we
5 also agreed that in our meeting.

6 Q. OK. So we're talking -- when you said there is a deal in
7 writing, there is no formal agreement signed by you, signed by
8 Jim Moore in writing; isn't that the truth?

9 A. There is no signed agreement, but there is an e-mail to
10 that effect.

11 Q. And that e-mail, as you just said, was written by Jim
12 Moore, suggesting what a deal would look like; isn't that true?

13 A. I think it's actually confirming the 50/50 and the 35
14 percent for the U.S. business.

15 Q. And the truth is that it never was 50/50, because you then
16 told him that you thought 35 percent was more in line, isn't
17 it?

18 A. No, you're getting mixed up. The 35 percent relates to the
19 U.S. business, and 50/50 relates to non-U.S. business.

20 Q. Well, you said -- you just got done telling the ladies and
21 gentlemen of the jury that the non-U.S. business was a small
22 part of it.

23 A. At the beginning it didn't exist. At the beginning the
24 U.S. business was the one with the 39th Street location in
25 November that was open by then, and we also had a 46th Street

H667MOO1

Haddow - Cross

1 location ready to start work on.

2 Q. Sir, the fact is that as of November 5 there was no
3 agreement yet that had been formally executed. That's the
4 truth, right?

5 A. As far as I'm concerned, a handshake is a formal agreement.
6 A written down agreement, there wasn't -- there was never a
7 share certificate issued. We established that. But there was
8 an agreement in place, and that's why Jim ran around
9 introducing me to various partners on the basis there was a
10 deal in place. He acted as if there was a deal in place; he
11 brought on partners as if there is a deal in place; and he
12 earned his 35 percent commission as if there was a deal in
13 place.

14 Q. Well, actually a big portion of the commissions you never
15 paid.

16 A. Well, that was toward the end of the situation.

17 Q. And actually he kept on writing letters to you trying to
18 get paid at the end; isn't that true?

19 A. That's correct.

20 Q. And actually you simply didn't honor your agreements with
21 Jim. That's the truth.

22 A. That's correct.

23 Q. So, let's take a look at 5037. 5037 is an e-mail from Jim
24 to Neil Storey, James Robinson, David Kennedy and yourself
25 concerning the upcoming trip to New York to visit. Isn't that

H667MOO1

Haddow - Cross

1 true?

2 A. That e-mail is about that, yes.

3 Q. And that e-mail is dated November 6, which is one day after
4 the e-mail we just talked about, right?

5 A. If you say so, yes.

6 Q. And this e-mail schedules the meetings for November 18 and
7 November 19; isn't that correct?

8 A. Correct.

9 Q. And that was going to be the first time that you would meet
10 James Robinson and his partner David Kennedy, right?

11 A. Correct.

12 Q. Now, there came a time when you hired some lawyers in or
13 about the end of 2015, correct?

14 A. You'd need to give me some more information on that.

15 Q. Sure. Let's take a look at Defendant's 5038. Do you see
16 this is the stationery of Thompson Bukher?

17 A. Yes.

18 Q. And does that refresh your memory as to whether or not you
19 hired some lawyers?

20 A. Yes, it does.

21 Q. And in fact, sir, you lied to your own lawyers; isn't that
22 true?

23 A. That's correct.

24 Q. Sir, would it be fair to say that in the operation of the
25 businesses that you had been operating it was commonplace for

H667MOO1

Haddow - Cross

1 you to lie to people?

2 A. It particularly was with Bar Works, yes.

3 Q. And, well, even if we look at African Land deal, you lied
4 to people, correct?

5 A. Yes, correct.

6 Q. If we look at Branded Leisure, you lied to people, correct?

7 A. Correct.

8 Q. You had the FCA, you lied to them too, correct?

9 A. Correct.

10 Q. And now as you described you had Bitcoin, which just was a
11 total fraud, correct?

12 A. Correct.

13 Q. You lied to people in Bitcoin, correct?

14 A. Correct.

15 Q. It was so common that when speaking to investors, you had
16 the ability to talk to them and say things that were not true
17 without hesitation; isn't this true?

18 A. Correct.

19 Q. I'm sorry, I didn't hear you.

20 A. Correct.

21 Q. And you lied even to your own lawyers, correct?

22 A. Correct.

23 Q. And so we see that your own lawyers are writing a letter to
24 Jonathan Black. Now, sir, when you went to see your lawyers,
25 did you tell them that you were Jonathan Black?

H667MOO1

Haddow - Cross

1 A. When I originally engaged with Thompson Bukher I engaged
2 with them through In Crowd Equity, and I went there as Renwick
3 Haddow.

4 Q. And they're writing this letter to Jonathan Black, so isn't
5 it a fact that you told them that Jonathan Black was the CEO of
6 Bar Works?

7 A. That's correct.

8 Q. And isn't it a fact that you told them that Jonathan Black
9 had an office in London and he was very busy so he couldn't
10 come to their law office? Isn't that correct?

11 A. I don't know that.

12 Q. And isn't it a fact -- well, didn't it seem a little bit
13 strange to be hiring a lawyer as Renwick Haddow but making out
14 the engagement letter to Jonathan Black? Didn't you find that
15 to be strange?

16 A. I wouldn't call it strange. I would call it fraudulent.

17 Q. And did you cause a DocuSigned signature of Jonathan Black
18 to appear on the lawyer's representation agreement?

19 A. Yes, I did.

20 Q. Now, when lawyers represent somebody, they want to talk to
21 them; isn't that correct?

22 A. In most cases, yes.

23 Q. And in this case when Mr. Bukher wanted to speak with
24 Jonathan Black, isn't it true that he was told that Jonathan
25 Black was busy and unavailable?

H667MOO1

Haddow - Cross

1 A. Quite possibly, yes.

2 Q. Now, I want to revisit Defendant's Exhibit 5050. We had a
3 discussion about this yesterday, and this was a document that
4 purportedly Jonathan Black, the chief executive officer, signed
5 for Zoya Haddow, correct?

6 A. Correct.

7 Q. And you stated yesterday that actually this was going to be
8 submitted to a government entity, correct?

9 A. I remember it was for Zoya's use for something outside the
10 business so she could get either a loan or a visa or something
11 along those lines.

12 Q. Well, yesterday you said visa; is that correct?

13 A. I said visa, yes.

14 Q. So, what you're telling the ladies and gentlemen of the
15 jury is that not only did you commit all of these other crimes
16 that we've talked about, but you were defrauding the U.S.
17 Immigration Service too, correct?

18 A. If that relates to a visa, then, yes, correct.

19 Q. I'm going to show you 5057, Defendant's Exhibit 5057 which
20 is in evidence. You purchased on February 15, 2016 a new Aston
21 Martin; is that correct?

22 A. That's correct.

23 Q. And so the crimes that you are committing, they were
24 motivated by your effort to obtain money; isn't that correct?

25 A. That's correct.

H667MOO1

Haddow - Cross

1 Q. And when you obtained other people's money, then you spent
2 that money on luxurious items; isn't that true?

3 A. Correct.

4 Q. And that as we saw, it didn't matter to you who you had to
5 lie to; isn't that true?

6 MR. VAINBERG: Objection. Vague.

7 THE COURT: I'll allow it.

8 You can answer it.

9 A. Sorry. Can you repeat that?

10 Q. Yes. In your efforts to obtain money from investors, as we
11 stated before you often relied upon misrepresentations and
12 false statements; isn't that true?

13 A. Yes.

14 Q. Sorry.

15 A. I said yes.

16 Q. Could you speak up a little bit. I'm having a hard time
17 hearing you.

18 Look at this for a second, meaning Exhibit 5057. We
19 see that it's from Miller Motorcars, and to be clear, Aston
20 Martin is a luxury British sports car, isn't that right?

21 A. That's correct.

22 Q. And this particular car, by the time it got all said and
23 done with options, the total price was \$283,000 for a single
24 car. Isn't that true?

25 A. That's correct.

H667MO01

Haddow - Cross

1 Q. And you were using money that investors were putting into
2 Bar Works to purchase this vehicle; isn't that correct?

3 A. Correct.

4 Q. That was money that could have gone for refurbishing the
5 locations; isn't that true?

6 A. Correct.

7 Q. That was money that could have gone for advertising to get
8 new members; isn't that true?

9 A. Correct.

10 Q. That was money that could have stabilized the company so it
11 could make its obligations; isn't that true?

12 A. Correct.

13 Q. But instead of any of that, you used the money on luxury
14 items for yourself; isn't that true?

15 A. That's correct.

16 Q. And that is what motivated you to tell these lies; isn't
17 that true?

18 A. That's part of my motivation, yes.

19 Q. Now I'd like to show you 5054. This is a letter from Jim
20 to Jonathan Black at Jonathan Black at Bar Works. Do you see
21 that?

22 A. Yes, I can see that.

23 Q. And this relates to some questions that were being
24 proposed; isn't that right?

25 A. That's correct.

H667MOO1

Haddow - Cross

1 Q. And Jim Moore said to that question, "Jonathan, may be
2 better if you can answer his questions directly if you don't
3 mind? Thanks." Isn't that true?

4 A. That's correct.

5 Q. And you went ahead and answered those questions as Jonathan
6 Black, didn't you?

7 A. I did.

8 Q. Keeping up your charade that Jonathan Black was a real
9 person, correct?

10 A. Correct.

11 Q. And it fooled Nick; isn't that correct?

12 A. It did, yes.

13 Q. And it fooled Nick so much that Nick caused his clients in
14 China to invest money in Bar Works, correct?

15 A. That and a number of other reasons, yes.

16 Q. And Nick invested a lot of money in Bar Works for his
17 clients; isn't that correct?

18 A. Correct.

19 Q. And isn't it correct that Bar Works raised from its
20 inception until its end over \$30 million of investors money?

21 A. In excess of \$30 million, yes.

22 Q. Would it be approximately 38 million?

23 A. It would be approximately 50 million.

24 Q. 50 million, of which, as we've seen previously, the few
25 months that UPG was involved their clients invested seven and a

H667MOO1

Haddow - Cross

1 half million, correct?

2 A. I'm not entirely sure how much they invested.

3 Q. Well, remember the schedule that counsel for the United
4 States showed you?

5 A. Yes, but that spreadsheet was at a point in time. I'm not
6 sure if it was a final spreadsheet, but, yes, the figure was in
7 excess of seven and a half million.

8 Q. \$50 million, and almost all of it was lost; is that
9 correct?

10 A. Correct.

11 Q. Sorry, I can't hear you.

12 A. Correct.

13 Q. Let's go to Defendant's Exhibit 5056. This time we're
14 seeing a bank document from Chase, correct?

15 A. Correct.

16 Q. And you will see that the account title is Bar Works,
17 right?

18 A. Bar Works 7th Avenue Inc.

19 Q. And you listed yourself using your real name, right?

20 A. Correct.

21 Q. And you listed yourself as the president of the company Bar
22 Works 7th Avenue, Inc., right?

23 A. Right.

24 Q. Although the business address says 47 West 39th Street
25 which is the first Bar Works location, isn't it.

H667MOO1

Haddow - Cross

1 A. It is, yes.

2 Q. And this was signed by you February -- it appears to be a
3 -- February 4, 2016. Isn't that true?

4 A. That's true.

5 Q. Now I'm going to show you Defendant's Exhibit 5058. There
6 came a time when the SEC started having questions about In
7 Crowd Equity; isn't that true?

8 A. That's true, yes.

9 Q. And just so that we can refresh our memories, In Crowd
10 Equity raised money for Bitcoin; is that true?

11 A. It did, yes.

12 Q. Sorry?

13 A. Yes.

14 Q. And after Bitcoin, In Crowd Equity raised money for Bar
15 Works, correct?

16 A. That's correct.

17 Q. And so you hired Thompson & Bukher LLP, a New York law
18 firm, to represent you with regard to the Securities and
19 Exchange Commission inquiry; isn't that true?

20 A. That's true.

21 Q. Now, there were a number of questions in which the SEC had;
22 isn't that also true?

23 A. That's correct.

24 Q. And as of February 18, 2016, they wanted to know about the
25 investors money that In Crowd Equity had with regards to the

H667MO01

Haddow - Cross

1 companies it represented; isn't that true?

2 A. That's correct.

3 Q. And you provided that information to your lawyers; isn't
4 that true?

5 A. That's correct.

6 Q. Now, this is the last page of that exhibit, and it says
7 U.S. investor money for Bar Works Inc., \$70,000. Do you see
8 that, sir?

9 A. I can see that, yes.

10 Q. Is that a true statement, sir?

11 A. I don't think it is a true statement, no.

12 Q. Underneath that it says Bitcoin, U.S. investor money
13 \$547,000. That was not a true statement either, was it?

14 A. I can't be sure about that, but possibly.

15 Q. Sir, isn't it true that the information you provided your
16 lawyers to give to the SEC was false?

17 A. In many cases, yes.

18 Q. Now, there came a time -- well, let's go over that.

19 I'm going to show you Defendant's 5068. This is a
20 letter on Bar Works stationery; is that correct?

21 A. That's correct.

22 Q. And it's dated May 9, 2016; isn't that correct?

23 A. I don't know. Can you --

24 Q. Sure.

25 A. Yes, it is.

H667MOO1

Haddow - Cross

1 Q. And to be clear, this is after Jim Moore and you have had a
2 parting of ways; isn't that true?

3 A. Slightly before actually.

4 Q. So your position is that the argument or confrontation --
5 however word appropriately describes what happened -- occurred
6 after May 9. Is that your position?

7 A. Yes, it happened around June time.

8 Q. In June.

9 A. Yes.

10 Q. Isn't it a fact, sir, that it happened in March?

11 A. No, it isn't.

12 Q. Well, let's focus on Maureen Peyton. You realized that
13 your attorneys would be dealing with Maureen Peyton from the
14 SEC; isn't that correct?

15 A. Correct.

16 Q. And your attorneys are writing to her in response to her
17 April 28 letter, correct?

18 A. Correct.

19 Q. And isn't it true that they are attaching a private
20 placement memorandum for Bar Works? Isn't that right?

21 A. Correct.

22 Q. And that private placement had false information in it,
23 correct?

24 A. Correct.

25 Q. And many of the documents that were produced to the SEC had

H667MOO1

Haddow - Cross

1 false statements in them, correct?

2 A. Correct.

3 THE COURT: I have a question just briefly.

4 Could you put that back up?

5 MR. GARVIN: Certainly, your Honor.

6 THE COURT: Is that number one, that private placement
7 memorandum for Bar Works, is that the one that lists the senior
8 officers as Jonathan Black in there?

9 THE WITNESS: Yes.

10 Q. Sir, so not only were you lying to the investors, as we've
11 established, you were lying to the banks, correct?

12 A. Correct.

13 Q. You were lying to your own lawyers, correct?

14 A. I wasn't lying to the bank. I actually put my correct
15 information on the bank application.

16 Q. Well, you used your correct name.

17 A. Yes. But there was some lies within one of the
18 applications.

19 Q. Thank you, sir. So you were lying to the bank. You were
20 lying to your own lawyers, correct?

21 A. Correct.

22 Q. You were lying to many of your agents such as Nick,
23 correct?

24 A. Correct.

25 Q. You were lying now to the SEC, correct?

H667MOO1

Haddow - Cross

1 A. Now?

2 Q. Well, as we see in this letter, meaning May of 2016.

3 A. Not lying now, no.

4 MR. VAINBERG: Objection as to now. Unclear.

5 THE COURT: He said he is not lying now. He said he
6 was not lying now.

7 MR. GARVIN: Let me try it again. That was a poorly
8 worded question, and that's my fault.

9 Q. You were lying to the SEC in the spring of 2016.

10 A. Correct.

11 Q. Now, there came a time when you hired another law firm;
12 isn't that true?

13 A. You'll have to remind me again. I'm sorry.

14 Q. Well, I show you what is in evidence as Defendant's 5069,
15 which is on the letterhead of the law firm of I believe by the
16 name of Hughes & Hubbard. Is that correct?

17 A. Correct.

18 Q. And Hughes & Hubbard was -- that firm was retained by you,
19 correct?

20 A. Correct.

21 Q. So another law firm that you retained with regard to the
22 SEC matter, correct?

23 A. Correct.

24 Q. And when you hired that law firm, isn't it fair to say that
25 you lied to them also?

H667MO01

Haddow - Cross

1 A. Incorrect.

2 Q. Well, you provided them with documentation to give to the
3 SEC, correct?

4 A. Correct.

5 Q. And you gave them a consultancy fee agreement to produce to
6 the SEC, correct?

7 A. Correct.

8 Q. And that consultancy fee agreement purported to be
9 authorized by Robert Haslem, correct?

10 A. Correct.

11 Q. Did Robert Haslem exist?

12 A. No, he didn't.

13 Q. So you were giving lawyers who are licensed fraudulent or
14 false documents to give to the SEC, correct?

15 A. That's correct.

16 Q. So when we say you were lying to your lawyers, you were
17 lying to them because you had them believe that the documents
18 you were giving them were legitimate; isn't that true?

19 A. Correct.

20 Q. And this document purports to be signed by Robert Haslem,
21 but you are the one who signed that, right?

22 A. Yes, I did.

23 Q. And you attached a bunch of invoices that look like this to
24 the letter to the SEC. You provided these invoices, correct?

25 A. Correct.

H667MO01

Haddow - Cross

1 Q. And these invoices were just fraudulently prepared to cover
2 your trail; isn't that right?

3 A. Correct.

4 Q. And if it was necessary to cover your trail, well, that's
5 just the way it had to be, right?

6 A. I don't understand that question.

7 Q. Well, yes, when it came to covering your trail, if you had
8 to lie to your lawyers, you lied, right?

9 A. Correct.

10 Q. And now I'd like to go to 5072.

11 So, to cover your trail you opened a LinkedIn account;
12 isn't that correct?

13 A. Correct.

14 Q. And on that LinkedIn account it was opened for Jonathan
15 Black; isn't that true?

16 A. It's true, yes.

17 Q. And this is a picture of the LinkedIn -- the first page of
18 the profile; isn't that true?

19 A. That's correct.

20 Q. This is the LinkedIn account that you caused to be
21 prepared. That's a fact, isn't it?

22 A. That's a fact, yes.

23 Q. And that picture there is not Jonathan Black; isn't that
24 true?

25 A. That's correct.

H667MOO1

Haddow - Cross

1 Q. And when people wanted to know who Jonathan Black was, you
2 would refer them to your LinkedIn account; isn't that true?

3 A. In some cases, yes.

4 Q. And they would see this picture of a person thinking that
5 it was Jonathan Black; isn't that right?

6 A. That's correct.

7 Q. The whole purpose of this was to deceive people, correct?

8 A. Correct.

9 Q. The person whose picture is there didn't even know that you
10 were using his photo; isn't that true?

11 A. Correct.

12 Q. Now, there came a time when Jim Moore approached you in or
13 about the beginning of March and suggested that you should
14 retire; isn't that right?

15 A. That was in January actually.

16 Q. In January. So, did you tell -- have you told anyone that
17 that was in June?

18 A. Not that I am aware of, no. In June we had actually fallen
19 out with each other, so it wouldn't have happened in June. In
20 March we may have continued the conversation, but the
21 conversation was initiated in January.

22 Q. So, Jim Moore -- Jim Moore's first visit to Bar Works was
23 on or about October 11th of 2015, correct?

24 A. Correct.

25 Q. And he left, correct? He left New York, correct?

H667MO01

Haddow - Cross

1 A. Correct.

2 Q. And then he came back on or about November 18, 2015,
3 because that was the first visit with the United Properties
4 Group guys, correct?

5 A. Correct.

6 Q. And it's your testimony that in January Jim Moore was
7 already telling you that you needed to retire, correct?

8 A. Correct.

9 Q. And that literally means that Jim Moore was involved with
10 your company -- from the first time that he saw your facility
11 to the first time that he suggested you retire was
12 approximately 60 days; is that correct?

13 A. Yes, correct.

14 Q. Now, isn't it a fact that within the last week you were
15 interviewed by the agents for the United States? Isn't that
16 correct?

17 A. Correct.

18 Q. And isn't it a fact, sir, that you told them that you went
19 to Zuma -- which is a restaurant -- in June of 2016? Isn't
20 that correct?

21 A. No, not correct. That was in January of 2016.

22 Q. You realize that when you tell the agents of the United
23 States something, they take notes. You realize that, right?

24 A. I realize that.

25 Q. And you realize they're professionals, right?

H667MOO1

Haddow - Cross

1 A. Yes.

2 Q. They do this for a living, right?

3 A. Correct.

4 Q. They know that it's important. And you know that, right?

5 A. Right.

6 Q. And they pride themselves on taking accurate notes; isn't
7 that true?

8 A. Correct.

9 MR. GARVIN: May I approach the witness to see if this
10 refreshes his memory?

11 THE COURT: Sure, sure, sure.

12 Q. Sir, does that document refresh your memory?

13 A. No, it doesn't refresh my memory.

14 Q. Is it your position that what you just told me, that it's a
15 mistake?

16 A. Yes, it doesn't fit in with the schedule of what actually
17 happened.

18 Q. So, your position is that that's a mistake and January is
19 the correct date, correct?

20 A. Correct, yes.

21 Q. And you never said June. That's your position.

22 A. I might have said June but it was a mistake.

23 Q. Well, it's a significant mistake though from June to
24 January, you would agree, wouldn't you?

25 MR. VAINBERG: Objection.

H667MOO1

Haddow - Cross

1 THE COURT: I will allow it.

2 A. In reality June was never realistic. In June I hadn't seen
3 defendant for months.

4 Q. Why do you call him defendant?

5 A. Because that's what he is. Or Jim Moore. You call him
6 defendant, so I've kind of gotten in the habit of calling him
7 defendant. But Jim Moore.

8 I hadn't seen Jim Moore for a number of months. And,
9 as you can tell from the e-mails and the correspondence, I owed
10 him a lot of money at that stage, and in June that's when I
11 found out about his double cross. So, the last thing I would
12 have done is met up with him and Neil Storey in January --
13 sorry, in June -- but in January that's when Sean Phillips came
14 over, and that's when we met him -- that's when I met him to
15 discuss this so-called retiring, and the retiring conversation
16 obviously came up there.

17 Q. So Sean Phillips was there.

18 A. No, no, Sean Phillips wasn't there. Sean Phillips was at
19 the 39th street location. Zuma meeting was myself and him,
20 later attended by Neil Storey and my wife.

21 Q. OK. Sean Phillips was in New York in one of the Bar Works
22 locations, correct?

23 A. Correct.

24 Q. And you said that this did not occur in June, it occurred
25 in January; correct?

H667MO01

Haddow - Cross

1 A. Correct.

2 Q. And I had told you are you sure it wasn't March, and you've
3 told me, no, it was not March, correct?

4 A. Correct.

5 Q. Sir, isn't it a fact that the falling out happened in
6 March; that's why you hadn't seen Jim Moore for months as of
7 June of 2016?

8 A. Definitely incorrect. They had arrived in March to the
9 opening of the 46th Street. Everyone got on like a house on
10 fire. It's only yesterday when you presented me with the
11 screen shot of Jim's double cross of setting up a competing
12 company in March that I knew anything about that. In March, as
13 far as I was concerned, things were going to plan apart from,
14 you know, some of the things you've come out with.

15 Q. You're referring to Defendant's Exhibit 5062, the purchase
16 of the Our Space URL. Is that what you're referring to, sir?

17 A. That's what I was referring to, yes.

18 Q. And you will remember yesterday that the system
19 malfunctioned and it was coming up very blurry, and we couldn't
20 see the exact date. Do you remember that?

21 A. You said to me it was March.

22 Q. Yes, I'm not disputing I said that: This is a document
23 that is in 5062, and as we discussed yesterday, and you see
24 that the order date was in fact March 16, 2016. Is that
25 correct?

H667MOO1

Haddow - Cross

1 A. That's correct.

2 Q. Now I'm going to show you Government Exhibit 136. This is
3 Government Exhibit 136. This is an e-mail regarding the agenda
4 for the New York City meeting. Do you see that, sir?

5 A. I do, yes.

6 (Continued on next page)

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

J66VMOO2

Haddow - cross

1 BY MR. GARVIN:

2 Q. And the date of that email is March 6. And it says: "We
3 have arranged for Sean Phillips to also be on the ground this
4 week." Do you see that, sir?

5 A. I do, yes.

6 Q. Isn't it a fact, sir, that Sean Phillips never met with you
7 in January of 2016; the first time that he came to New York for
8 Bar Works was on or about March 10th of 2016?

9 A. In fact, I think that was his second time.

10 Q. Sir, isn't it a fact that Sean Phillips was only there one
11 time?

12 A. As far as I know, I met him one time. I think he was there
13 two times.

14 Q. Yesterday you said that Sean Phillips was -- met with you
15 in January of 2016. Do you recall saying that?

16 A. I recall saying that, yes.

17 Q. Today you said that Sean Phillips met with you in January
18 of 2016; correct?

19 A. Correct.

20 Q. And the reality is that that was false?

21 A. No, that's not false. There's invoices and emails to back
22 up the January date.

23 Q. In fact, sir, he sent you invoices for doing work in
24 Florida, minor work in Florida, that he was having difficulty
25 getting you to pay, isn't that true?

J66VM002

Haddow - cross

1 A. Yes, but that doesn't clear the fact that I had a long
2 conversation with him over the phone which he clarified in the
3 email. And he said he was looking forward to meeting me from
4 memory, which was shortly after the conversation I had with
5 him.

6 Q. So the fact is that you had a conversation with him on the
7 telephone because he was in Florida, isn't that true?

8 A. Correct.

9 Q. And he was looking forward to meeting you, and that meeting
10 took place in March; isn't that correct?

11 A. Incorrect. January.

12 Q. And the reason why you don't want to say March is because
13 you know that's when the fallout occurred, isn't that true?

14 A. No. Conflicts totally with the reality. The reality in
15 March was if there would be no fallout -- if there was a
16 fallout, then the guys from UPG wouldn't have wasted thousands
17 of dollars to travel over here for an opening party on 46th
18 Street, the last thing they would have done. They would have
19 been focusing on Jim's new fraudulent scheme, Our Space.

20 MR. GARVIN: Your Honor, I'd like to move to strike
21 that last portion --

22 THE COURT: I think it's responsive to the question.

23 Q. So his fraudulent --

24 THE COURT: Let's leave it at that.

25 MR. GARVIN: I'm sorry?

J66VM002

Haddow - cross

1 THE COURT: I said we should leave it at that.

2 Q. You had no dealings in Our Space; isn't that correct?

3 A. I had no dealings with Our Space; correct.

4 Q. So you don't know if the people who were working at Our
5 Space today are good, honest, hardworking people or not, you
6 don't have no idea?

7 A. I knew at the time when I did my own research the company
8 was a fraud.

9 Q. And so, sir, isn't it a fact that you had a meeting in
10 March, and at that meeting David Lilley came to that meeting?
11 Isn't that true?

12 A. He didn't meet me, no.

13 Q. Well, you were in the same premises; isn't that right?

14 A. I don't know. I never met David Lilley.

15 Q. Well, isn't it a fact, sir, that Jim Moore took the guys
16 from Dolphin with Sean Phillips, and they met at a Bar Works
17 location? Isn't that true?

18 A. I'm not aware of that meeting.

19 Q. And isn't it true that you were at the location, but
20 refused to join the group?

21 THE COURT: What time are we talking about?

22 MR. GARVIN: March, your Honor, 2016.

23 THE COURT: Is there a date?

24 MR. GARVIN: I believe the email showed it was around
25 March 11th.

J66VM002

Haddow - cross

1 Q. Isn't that true, sir?

2 A. You'll have to repeat it, I'm afraid. Sorry.

3 Q. Yes. You were at the location, but you stayed 30 or 40
4 feet away from the meeting?

5 A. Incorrect.

6 Q. And Jim -- you remember the email that we talked about
7 yesterday where it said Jim Moore said it would be nice for you
8 if you would join us, but I know you are reticent.

9 Do you recall that email?

10 A. I do recall that, yes.

11 Q. And he's talking about this meeting that we are now talking
12 about; isn't that correct?

13 A. He was, yes.

14 Q. And isn't it a fact that that meeting took place; correct?

15 A. I don't know if it took place. I don't remember it taking
16 place. All I remember is us meeting later on. The reason --
17 my reason for meeting in the March meeting was to take them to
18 the 46th Street location. In my mind, that week was focused on
19 opening 46th Street. So I would never have sat in the same
20 room with someone who I'm trying to hide my identity; I would
21 have definitely left the location, such that those facts don't
22 make sense to me.

23 Q. There was no effort to hide your identity, sir; you were
24 standing 30 or 40 feet away?

25 A. No.

J66VM002

Haddow - cross

1 Q. They were in a long bar, do you remember that?

2 A. Sorry?

3 Q. The bar area?

4 A. No, I don't remember that.

5 THE COURT: "Bar" as in a bar?

6 MR. GARVIN: Yes, drinking. Like Bar Works, yes, sir.

7 A. There was bars in all the locations. And the bars were
8 very short. There was no way I was sitting on the end of the
9 bar in that location.

10 Q. And, sir, isn't it a fact that Jim Moore came over and
11 said, Come over. I paid for these guys to come here, come meet
12 them.

13 A. No, that's a lie.

14 Q. And isn't it a fact that that was the final straw as far as
15 Jim Moore and Neil Storey and Mr. Robinson from United
16 Properties Group, that was the beginning of the end?

17 A. That was totally fabricated.

18 Q. Isn't it true, sir, that Jim Moore suggested that you
19 retire? Isn't that true?

20 A. That had been suggested in January. And that wasn't
21 retiring me per se; that was retiring Jonathan Black and myself
22 so that I could be working in the background and he would put
23 in other people, well-known people in the property industry, to
24 front up the company.

25 So retiring -- your idea of retiring and my idea of

J66VM002

Haddow - cross

1 retiring and Jim's idea of retiring are slightly different
2 here. Retiring in the way that he was discussing was that he
3 would find new people to front the company up. And that
4 Jonathan Black, who everyone wanted to retire, because he was
5 becoming a pain, causing the conflict that -- everyone finding
6 out -- people starting, you know, all these protocols and been
7 very careful in how we tread, was not a way to run a business.

8 So the idea of retiring, that's the reason for the
9 retiring, not he wanted me to go whence on a beach somewhere.

10 Q. Well, actually, sir, yesterday you told the ladies and
11 gentlemen of the jury that Jim Moore wanted to phase you out;
12 isn't that correct?

13 A. He wanted to phase Jonathan and myself out.

14 Q. Well, you said you yesterday; isn't that correct?

15 A. I said that yesterday, but it's Jonathan and -- Jonathan
16 and I are two of the same people.

17 Q. And you also told the ladies and gentlemen from the United
18 States when they met with you last, that he wanted to expand
19 Bar Works, isn't that true?

20 A. Correct.

21 Q. And that he wanted -- that he had a team of professionals
22 ready, isn't that true?

23 A. Correct.

24 Q. And that he wanted to open units of Bar Works in Dubai and
25 other international locations, isn't that true?

J66VM002

Haddow - cross

1 A. Correct.

2 Q. And that you told them that in order to do that, he wanted
3 you, meaning Mr. Haddow, to retire, isn't that true?

4 A. I think "you," as far as I'm concerned, could mean
5 Mr. Haddow, it could mean Jonathan Black. We were both the
6 same people. But, yes, he wanted me and Jonathan Black to
7 retire so that these guys could front a business.

8 Q. Nobody ever used the word "front" except for you?

9 A. I think it -- does it mention where Jim Moore has used the
10 word "front."

11 Q. No. When it came to this, you didn't -- you felt that Jim
12 Moore was trying to take over your company; isn't that right?

13 A. He was attempting to take over the company, yes.

14 Q. And that made you angry, isn't that true?

15 A. "Angry" is a little bit of a strong word. I would say it
16 made me -- it made me very cautious.

17 Q. Now, sir, isn't it also true that in March of 2016, right
18 around the time of this meeting, that Jim Moore --

19 A. Sorry, what meeting?

20 Q. -- was becoming suspicious regarding Jonathan Black?

21 A. You'll have to tell me which meeting, because from the
22 sounds of it, there has been quite a few meetings in March,
23 half of them I don't know about.

24 Q. Well, let's say on or about March 4th.

25 A. But which meeting?

J66VMOO2

Haddow - cross

1 Q. That would have been the precursor to the Dolphins meeting,
2 before --

3 A. As I said, I know nothing about the Dolphins meeting.

4 Q. David Lilley is a person who came over for The Dolphin
5 Group. Do you recall that?

6 A. I recall you telling me about it. But I don't recall
7 meeting him, being in the same room as him, sitting at the bar
8 with him, or any of the other things you've mentioned here
9 today.

10 Q. So on approximately March 11th, you did not see them at the
11 39th Street location; is that correct?

12 MR. VAINBERG: Objection. Asked and answered.

13 THE COURT: I'll allow it.

14 By "them" you mean who?

15 MR. GARVIN: Meaning the people who flew in --

16 THE COURT: The names I'm talking about. I'm asking
17 what names.

18 MR. GARVIN: Yes.

19 Q. So you did not see David Lilley and his partner meeting
20 with Jim, Neil Storey, and Mr. Robinson from UPG?

21 THE COURT: On what date?

22 Q. On or about March 11th at the 39th Street location.

23 A. No. I would have been in -- that day it was the opening
24 party; I would have been in 46th Street arranging the final
25 touches of that.

J66VM002

Haddow - cross

1 Q. Okay. Did you see them at the 46th Street location?

2 A. They never came to the party, as far as I know.

3 Q. So is it your testimony that what we call The Dolphin
4 Group, which is David Lilley and his partner -- remember the
5 people who wanted to bring the recording equipment to have
6 Jonathan give some video recording, do you recall that?

7 A. I recall that, yes.

8 Q. That they flew all the way from Europe, but they did not go
9 to the opening. Is that your testimony?

10 A. I was never introduced to them at the party; they never met
11 with myself, Jim, David Kennedy, and James Robinson across at
12 the bar where we spent two or three hours before the party.
13 And I remember quite clearly when we went into 46th Street,
14 they were -- James and Jim and David spent a lot of time around
15 me. I don't remember them peeling off and speaking to David
16 Lilley and his partner. So if they were invited, it's news to
17 me.

18 Q. Showing you now Government's Exhibit 39 -- 139. And, sir,
19 I've already asked you this several times, but I just want to
20 lead into this. And that is, do you recall on March 10th, that
21 Jim Moore spoke to you and became very, let's say, suspicious
22 of Jonathan Black? Do you recall that --

23 THE COURT: Do you have this -- mine is not centered.

24 MR. GARVIN: Yes, I haven't moved it into focus yet.

25 THE COURT: Oh, I'm sorry.

J66VMOO2

Haddow - cross

1 Q. Do you recall that?

2 A. Suspicious in what respect?

3 Q. That you had been telling him that the three or four times
4 he had been to Bar Works, that Jonathan Black wasn't there
5 because he was busy in Europe in his office in London?

6 A. No, that's just -- it's just rubbish.

7 Q. So your position on this was that it would have been
8 nonsense, I think is what you said yesterday, for your name and
9 Jonathan Black's name to appear at the same time; isn't that
10 correct?

11 A. Correct.

12 MR. VAINBERG: Objection. Mischaracterizes the
13 witness's testimony.

14 THE COURT: If you have the testimony, you should read
15 it back.

16 MR. GARVIN: He said "correct."

17 THE COURT: No, you should read it back if you have
18 the testimony. I'm going to strike the answer. If you're
19 going to refer to something that was said, you need to refer to
20 the transcript.

21 MR. GARVIN: Yes, your Honor. I'll go back.

22 BY MR. GARVIN:

23 Q. Sir, you told us that Jonathan Black was to help hide your
24 name; correct?

25 A. Correct.

J66VM002

Haddow - cross

1 Q. And that it would be counterproductive to put your name on
2 the same document as Jonathan Black's name; correct?

3 A. It wouldn't be on the same document; they would be on
4 separate documents.

5 Q. Well --

6 A. I get what you're getting at, yes.

7 Q. So let me give you an example so we're clear.

8 I think you've already answered, but just in case I'm
9 being not clear to the ladies and gentlemen of the jury, you
10 had a private placement memorandum. You put Jonathan Black as
11 the CEO; correct?

12 A. Correct.

13 Q. It would be counterproductive to put on the same private
14 placement memorandum anywhere on the same page Renwick Haddow;
15 correct?

16 A. Correct.

17 Q. Because, according to you, the whole idea of using Jonathan
18 Black was to hide Renwick Haddow; correct?

19 A. Correct.

20 Q. And the reason why you wanted to hide Renwick Haddow is
21 because you had issues with the FCA in England; correct?

22 A. That and many other things, yes.

23 THE COURT: Excuse me. Excuse me.

24 Do I remember correctly that you said that in the
25 description of Jonathan Black, the first three lines of that

J66VMOO2

Haddow - cross

1 description actually mirrored your personal experience?

2 THE WITNESS: Yes, that's correct.

3 THE COURT: Do you recall what it was in those three
4 lines?

5 THE WITNESS: Yeah, that Jonathan Black was a
6 financial controller at Regent Inns PLC.

7 THE COURT: Regent Inns PLC.

8 THE WITNESS: And I think it said another company.
9 And Region Inns was worth \$400 million.

10 THE COURT: Did you think that if there was a person
11 who was familiar with Regent Inns, they would figure out that
12 that was you instead of -- or they might suspect that that was
13 you?

14 THE WITNESS: I thought there was a possibility, but I
15 thought it was a long shot.

16 BY MR. GARVIN:

17 Q. The answer to the Court's question is you believed that
18 would be a long shot; correct?

19 A. Correct.

20 THE COURT: He said it would be a possibility, but he
21 believed it would be a long shot.

22 Q. And just so we have on the page what this Honorable Court
23 has asked you as 5011, you see it says: Jonathan Black has a
24 background in finance and start-up ventures. That's pretty
25 mundane; correct?

J66VMOO2

Haddow - cross

1 THE COURT: Pretty what?

2 MR. GARVIN: Mundane.

3 Q. Meaning that could cover a lot of people, right?

4 A. Yes.

5 Q. Then you said he was a finance director/financial
6 controller of two chains of bars in the UK: Regent Inns PLC,
7 market value 400,000; correct?

8 A. Correct.

9 Q. Now, one of the investors looked up Regent Inns; is that
10 correct? Did you know that?

11 A. I didn't know that.

12 Q. So it would be fair to say that it would be
13 counterproductive to have your name on the same page as
14 Jonathan Black's; correct?

15 A. Correct.

16 THE COURT: Is Regent Inn a known quantity in London?

17 THE WITNESS: It was, yes. It was a -- had a
18 well-known chain of bars and it was listed on the London Stock
19 Exchange.

20 THE COURT: It was listed on the London Stock
21 Exchange?

22 THE WITNESS: Yes.

23 BY MR. GARVIN:

24 Q. When you say it's listed on the London Stock Exchange, it
25 was a big company, right?

J66VM002

Haddow - cross

1 A. It was a big company, yes.

2 Q. And it had hundreds of employees, right?

3 A. It had hundreds of employees, yes.

4 Q. If not thousands?

5 A. Possibly.

6 Q. Possibly.

7 THE COURT: You said before 400,000. Did you mean 400
8 million or was it 400,000 in the brochure?

9 THE WITNESS: 400 million.

10 MR. GARVIN: If I said thousand, I misspoke, because
11 it's 400 million.

12 THE COURT: And who was involved in the financing of
13 that venture?

14 THE WITNESS: Well, I was the financial controller at
15 the company, but that was raised through the markets.

16 BY MR. GARVIN:

17 Q. To be clear, Regent Inn was not a fraud; correct?

18 A. No, Regent Inns wasn't a fraud.

19 Q. You had a job there; correct?

20 A. Yes.

21 Q. And that was a long time ago; correct?

22 A. That was a long time ago, yes.

23 Q. Could you give us the approximate year of when you started
24 there?

25 A. I think I started there in 1995 and finished in 2000.

J66VMOO2

Haddow - cross

1 Q. Okay. So approximately 15 to 20 years before the events
2 we're discussing; correct?

3 A. Well, 15 years, yes.

4 THE COURT: If someone were to look up Regent Inns,
5 would they find Jonathan Black?

6 THE WITNESS: No, they wouldn't.

7 THE COURT: They would find you.

8 THE WITNESS: They would find me, yes. But they
9 probably wouldn't find me, because I wasn't a director of
10 Regent Inns, I was a financial controller, so I wasn't
11 registered anywhere really.

12 Q. Okay. So they wouldn't find you and they wouldn't find
13 Jonathan Black either; correct?

14 A. They probably wouldn't, no.

15 Q. All right. So let's look now at an email that Jim Moore
16 sent. This is Government's Exhibit 139 to is it Tahyira?

17 A. Tahyira, yes.

18 Q. Cordner?

19 A. Yes.

20 Q. And Tahyira Cordner worked at Bar Works; correct?

21 A. Correct.

22 Q. And you see there's Jonathan Black?

23 A. Yes.

24 Q. And right next to it it says renwick@renwickhaddow, isn't
25 that true?

J66VM002

Haddow - cross

1 A. That's correct.

2 Q. And it also says Jessica Mayo, isn't that true?

3 A. Correct.

4 Q. Sir, isn't it a fact that Jonathan Black never had the
5 email address of renwick@renwickhaddow.com? Isn't that true?

6 A. Yes, Jonathan Black had his own email address.

7 Q. And what has happened here is that Jim Moore has purposely
8 placed Jonathan Black's name on an email directly next to your
9 name; isn't that correct?

10 THE COURT: If you know.

11 A. It looks like Jim Moore has actually slipped up there.

12 Q. Well, it was a slipup --

13 A. It was a big slipup.

14 Q. -- or was it that Mr. Moore was calling you out by saying,
15 Are you Jonathan Black?

16 A. Jim Moore didn't need to call him out, because Jim Moore
17 knew very, very clearly that I was Jonathan Black. If he was
18 doing that for his own venture, which, from the looks of it, he
19 had it planned in March as ammunition, then maybe that's it.

20 But as far as I'm concerned, you mentioned earlier did
21 I recognize the fact that Jim Moore was getting suspicious, Jim
22 Moore was never suspicious. Jim Moore knew exactly what the
23 situation was.

24 Q. So you would agree that to do that, you have to
25 intentionally do that, right?

J66VMOO2

Haddow - cross

1 THE COURT: To do what?

2 MR. GARVIN: Put the two names together, your Honor.

3 THE COURT: Well, he didn't, did he --

4 MR. VAINBERG: Objection. Foundation.

5 THE COURT: He didn't do that.

6 MR. GARVIN: I understand that.

7 THE COURT: So you have to rephrase the question.

8 BY MR. GARVIN:

9 Q. Sir, when you send somebody an email, you have to type in
10 the email address; correct?

11 A. Correct.

12 Q. Now, you can also go to your directory or address book and
13 input a name and send it that way; correct?

14 A. If you say so, yes.

15 Can I -- Jim Moore has a track record in this case of
16 removing the Renwick Haddow email addresses and forwarding
17 emails over to parties who weren't in the know. So this is
18 probably another example of him doctoring emails.

19 Q. You would agree with me that emails from Jim Moore to you
20 immediately prior to that particular day do not have the name
21 Jonathan Black; isn't that correct?

22 A. I don't think the question makes any sense to me, I'm
23 afraid. Can you repeat that please?

24 Q. Yes. Jim Moore sent to you, Renwick Haddow, emails in
25 March that did not have the name Jonathan Black on it?

J66VM002

Haddow - cross

1 A. You mean Jonathan Black and Renwick Haddow together?

2 Q. Yes.

3 A. Yes, I've never seen any emails like that.

4 Q. When you say "like that," you mean the one --

5 A. Where it says it's from Jonathan Black, and in brackets
6 from the Renwick Haddow email address. That's very strange.

7 Q. So the emails that were sent to you during the month of
8 March before the email we just looked at only had Renwick
9 Haddow on them; correct?

10 A. Well, there were various emails. There's some emails with
11 Renwick Haddow, and there's some emails specifically in
12 Jonathan Black. So one or the other.

13 Q. But there wasn't one that had both; correct?

14 A. No, not --

15 Q. And after March 10th, the emails were only to Renwick
16 Haddow; correct?

17 A. Not correct. I don't -- I don't know where you got that
18 from.

19 Q. I was trying to establish, sir, that this practice did not
20 happen before March 10th and it did not happen after March
21 10th; that March 10th --

22 THE COURT: Why don't you just ask that?

23 MR. GARVIN: Yes, sir.

24 Q. Is it true that this practice did not happen before March
25 10th or after March 10th, to your knowledge?

J66VM002

Haddow - cross

1 A. To my knowledge, this is the first time I've seen that.

2 And it's obviously that's a question to Jim why he did that.

3 Q. I'd like to show you Government's Exhibit 143. Yesterday
4 during direct examination, you had a discussion about an email
5 that says "the F word." Do you recall that, sir?

6 A. I do, yes.

7 Q. And you'll recall that the F word was the FCA, the
8 Financial Conduct Authority; correct?

9 A. Correct.

10 Q. And in that email, you wrote on March 20th: "I agree with
11 you totally. I am already seeking a good lawyer."

12 Now, to put this into context, what matter was this
13 relating to?

14 A. This is relating to the FCA followup case regarding Capital
15 Alternatives and African land called credits.

16 Q. And we had previously seen documentation on that case;
17 correct?

18 THE COURT: Counsel, this is not very focused.

19 MR. GARVIN: Yes, sir. It's supposed to be on
20 automatic focus. There we go. Sometimes it comes in.

21 Q. And you wrote: "I agree with you totally. I am already
22 seeking a good lawyer. The other two parties, looks like they
23 are going to defend themselves, so this plays into hand, as the
24 gloves are off and I shall be laying any misselling directly at
25 them."

J66VMOO2

Haddow - cross

1 You wrote that; correct?

2 A. Correct.

3 Q. And what you are telling Jim Moore there was that you were
4 going to blame the other two parties, isn't that true?

5 A. Correct.

6 Q. And when you say "blame the other two parties," you were
7 going to take the position that you did nothing wrong; correct?

8 A. Correct.

9 Q. And you were going to take the position that if there was
10 any misselling, that it was the other two parties; correct?

11 A. That wasn't -- these are your words, but partially what you
12 said is correct, yes.

13 Q. And your position was going to be that you had no knowledge
14 of their misdeeds; isn't that correct?

15 A. I hadn't decided at that stage what my position was.

16 Q. Well, at that stage you had said: "The other two parties,
17 looks like they are going to defend themselves so this plays
18 into hand, as the gloves are off and I shall be laying any
19 misselling directly at them."

20 That's what you said, right?

21 A. That's correct, yes.

22 Q. Now, let's go to this case, sir.

23 Mr. Moore is defending himself; correct?

24 A. Defending himself?

25 Q. He's defending himself in this case; correct?

J66VMOO2

Haddow - cross

1 A. Correct.

2 Q. And isn't it a fact that you believe that this plays
3 directly into your hands? Isn't that true?

4 A. Not correct. Two different scenarios altogether.

5 Q. And that the gloves are off, and that you are laying the
6 blame at Mr. Moore, isn't that what you've been doing?

7 A. Incorrect. I take full responsibility for what I did. And
8 Jim knows what he did.

9 Q. Sir, throughout the course of this fraud, you've been
10 motivated by money; correct?

11 A. Correct.

12 Q. You've been motivated by greed; correct?

13 A. Correct.

14 Q. You have lied to investors; correct?

15 A. Correct.

16 Q. You have lied to the authorities; correct?

17 A. Correct.

18 Q. You have lied to your own lawyers; correct?

19 A. Correct.

20 Q. You have lied to agents; correct?

21 MR. VAINBERG: Objection.

22 THE COURT: Sustained.

23 What do you mean by "agents"?

24 Q. Sales agents such as Nick; correct?

25 A. Correct.

J66VM002

Haddow - cross

1 Q. All of that was motivated by money; correct?

2 A. Partially, yes.

3 Q. And here, your motivation is much, much more than just
4 money, isn't it?

5 MR. VAINBERG: Objection. "Here."

6 THE COURT: I'll allow it.

7 What do you mean?

8 Q. Here, what's at stake is --

9 THE COURT: "Here" meaning --

10 MR. GARVIN: In this case.

11 Q. Here, in this case, what's at stake is your liberty, your
12 freedom; isn't that correct?

13 A. Nothing to do with what we're talking about here.

14 Q. And you would trade all of those assets that I spoke to you
15 about yesterday for your freedom; you'd gladly give them up for
16 your freedom. Isn't that true?

17 A. I think what you're saying is -- doesn't represent what
18 we're talking about here.

19 Q. Sir, isn't it true that you would give up any and all of
20 those assets for your freedom?

21 A. No, that's not relevant.

22 Q. And isn't it true, sir, that money may have been a
23 motivation for you, but you value your freedom more than money,
24 isn't that true?

25 A. My motivation here is very simple. My motivation here is

J66VMOO2

Haddow - cross

1 to be truthful and tell the facts as they stand. That's it.

2 The assets, the freedom, yeah, we can talk about that, but the
3 fact is it is very simple: Tell the truth and give the facts
4 as I know them.

5 Q. Sir, is money more important to you or your freedom?

6 MR. VAINBERG: Objection.

7 MR. GARVIN: Can you just --

8 THE COURT: Sustained.

9 Q. And as far as telling the truth, the only two people that
10 were on that telephone call was you and Jim Moore, the one that
11 you say that you told Jim Moore that Jonathan Black did not
12 exist. Isn't that true?

13 A. One of many phone calls, yes.

14 MR. GARVIN: I have no further questions. Thank you.

15 THE COURT: Okay. Should we take a five-minute break?

16 JUROR: Yes, please.

17 (Jury not present)

18 (Recess)

19 (Jury present)

20 THE COURT: Please be seated.

21 So following cross-examination, the government has the
22 opportunity for what's called redirect --

23 THE LAW CLERK: Hold on one second please.

24 THE COURT: Are we missing somebody?

25 THE LAW CLERK: Yes.

J66VMOO2

Haddow - redirect

1 (Pause)

2 THE COURT: So following cross-examination, the
3 government gets the opportunity for what's called redirect
4 examination. Redirect is limited to what was gone into on
5 cross-examination, right?

6 MR. VAINBERG: Yes, your Honor.

7 THE LAW CLERK: Sir, I'd just like to remind you again
8 you're still under oath.

9 THE WITNESS: Thank you.

10 THE LAW CLERK: Thank you.

11 REDIRECT EXAMINATION

12 BY MR. VAINBERG:

13 Q. Good morning, Mr. Haddow.

14 A. Good morning.

15 Q. Mr. Haddow, I have a few questions for you.

16 THE COURT: If you pull that microphone a little bit
17 closer to you.

18 MR. VAINBERG: Can we pull up Government Exhibit 139.

19 Q. Do you recall being asked questions by defense counsel
20 about this email from the defendant?

21 A. Yes, I do.

22 Q. That's an email coming from the defendant's email system,
23 right?

24 A. It is, yes.

25 Q. And it's the defendant that's associating the word Jonathan

J66VM002

Haddow - redirect

1 Black with renwick@renwickhaddow.com, right?

2 A. That's correct.

3 Q. Does it stand to reason that you knew you were Jonathan
4 Black?

5 MR. GARVIN: Object to form. Calls for speculation.

6 THE COURT: Sustained. Rephrase that question.

7 Q. Mr. Haddow, did the defendant know, based on all of your
8 interactions with him and this document, that you were Jonathan
9 Black?

10 A. Yes, for sure.

11 MR. VAINBERG: Let's take that down.

12 Q. Now, during cross-examination, you were asked a number of
13 questions about Bar Works, right?

14 A. Correct.

15 Q. Bar Works was a fraudulent scheme, right?

16 A. It was, yes.

17 Q. It was a Ponzi scheme?

18 A. It was a Ponzi scheme.

19 Q. And part of the fraud was that you were pretending to be
20 Jonathan Black to the outside world, right?

21 MR. GARVIN: Your Honor, object to the leading nature
22 of the last question.

23 THE COURT: Overruled.

24 Q. And part of the fraud was that you were pretending to be
25 Jonathan Black?

J66VM002

Haddow - redirect

1 A. That's correct.

2 Q. Now, to advance the fraud, you told some lies to cover up
3 that fact, right?

4 A. I did, yes.

5 Q. You told some lies without the defendant, right?

6 A. Without the defendant?

7 Q. Yes.

8 A. Yes.

9 Q. And you told other lies with the defendant, right?

10 A. Correct.

11 MR. GARVIN: Objection. Leading.

12 Q. Did you tell other lies with the defendant?

13 A. Yes, I did.

14 Q. And did you know that the defendant was advancing those
15 lies to promote the fraud himself?

16 A. Yes.

17 MR. GARVIN: Object to the leading --

18 THE COURT: Overruled. Sustained.

19 Can you rephrase that question?

20 Q. To your knowledge, did the defendant tell lies to promote
21 the fraud?

22 A. Yes, he did.

23 MR. VAINBERG: Let's pull up Government Exhibit 135,
24 please.

25 Q. This is the honeymoon email that you spent some time

J66VM002

Haddow - redirect

1 discussing on cross-examination, right?

2 A. Yes, it is.

3 Q. That's the email that begins with David Lilley's request to
4 record some clips with Jonathan Black, right?

5 A. Correct.

6 Q. And the defendant wrote: Guys, how do we feel we can
7 overcome the Jonathan issue? He's on honeymoon.

8 Do you recall testifying about that on
9 cross-examination?

10 A. Yes, I do.

11 Q. And then right above that, when we look at the defendant's
12 response, do you recall defense counsel asking you questions
13 about the statement: Would be great to find a way --

14 THE COURT: Could you go slower please.

15 MR. VAINBERG: Certainly.

16 Q. The defendant wrote: Would be great to find a way to get
17 you involved, but equally understand your reticence. Right?

18 A. Yes.

19 Q. And defense counsel asked you if you understood that to
20 mean that the defendant wanted you to meet David Lilley as
21 Renwick Haddow, right?

22 A. That's right.

23 Q. What did you understand that to mean?

24 A. What do you mean?

25 Q. What did you understand the defendant to be asking you to

J66VMOO2

Haddow - redirect

1 do here?

2 THE COURT: In the email?

3 MR. VAINBERG: In the email.

4 A. He wanted me to show up at the meeting, but he understood
5 that I couldn't, because I was pretending to be Jonathan Black.

6 Q. Did the defendant want you to show up at that meeting as
7 Renwick Haddow or Jonathan Black?

8 A. I think he wanted me to show up as Renwick Haddow.

9 Q. Did you have other email correspondence with the defendant
10 and David Lilley?

11 A. I can't recall.

12 MR. VAINBERG: Let's pull up Government Exhibit 121.

13 Q. Now, Mr. Haddow, this is a document that we didn't look on
14 direct examination at right?

15 A. No.

16 Q. Who is this email chain with?

17 A. The email is from David Lilley to Jim Moore, copying in
18 Leslie McCann, Jonathan Black, and Deon.

19 Q. And were you copied in on that email as Jonathan Black?

20 A. I was copied in as Jonathan Black, yes.

21 Q. What's the date of this email?

22 A. It's February the 11th, 2016.

23 Q. And is that about three weeks before the March email about
24 recording some clips with Jonathan Black?

25 A. That's correct.

J66VM002

Haddow - redirect

1 Q. Now, going to the bottom half of this email. Do you see an
2 email from the defendant beginning with the words "Hello,
3 David"?

4 A. Yes.

5 Q. That's the defendant writing to David Lilley, right?

6 A. That's correct.

7 Q. Let's look on the second page.

8 MR. VAINBERG: Could we blow up the portion that
9 begins with "I don't take things on lightly" and goes down to
10 the second paragraph, after Neil Storey.

11 Q. Could you read the first sentence of this portion?

12 A. "I don't take things on lightly and as you will have
13 identified, my previous two best-known businesses have both
14 successfully become sales unicorns, exceeded a billion dollars
15 in revenue. This will do the same. In fact, we believe the
16 industry is in its infancy, and it would seem that we share
17 that view with Morgan Stanley, Goldman Sachs, Fidelity, et al."

18 Q. That's the defendant writing this to David Lilley, right?

19 A. It is, yes.

20 Q. To your knowledge, was the defendant trying to get David
21 Lilley involved in Bar Works?

22 A. He was, yes.

23 Q. Did the defendant make statements about who was running Bar
24 Works?

25 A. He did.

J66VMOO2

Haddow - redirect

1 Q. Can you focus on the portion beginning with "perhaps" and
2 read that in the first paragraph.

3 A. Yes. Perhaps lesser-known aspects of our various careers
4 are a deep level of commercial and forensics experience which,
5 in summary, for your interest, is as follows:

6 One. Jonathan Black, Regent Inns PLC. Jonathan was
7 the primary originator of Bar Works prior to us becoming
8 involved at the formation stage with this small and tight team
9 who were previously responsible for successful rollout of
10 walkabout bars in UK. He has experience of venture capital,
11 along with fundraising at a corporate and regulated level and,
12 of course, management of public companies at board level.

13 Q. Is the defendant telling David Lilley that he was working
14 with Jonathan Black?

15 A. Yes, he is.

16 Q. Let's read the second paragraph here.

17 A. Two. Neil Storey. When I first met Neil, he was a client
18 of mine and he was British Consul to Peru. He subsequently
19 became HM Consul General to Brazil and then head of UK trade
20 and investment for Latin America. He also had a parallel very
21 specialized and specific role with direct responsibility to
22 William Hague, who at the time was British foreign secretary.
23 Neil is a valued and significant partner in the business and
24 part of the strategic international expansion team, along with
25 myself and Jonathan.

J66VM002

Haddow - redirect

1 Q. What was the defendant representing to David Lilley was the
2 team of people running Bar Works?

3 A. He was saying Jonathan Black is running Bar Works, and Neil
4 and Jim were working closely with Jonathan Black.

5 MR. VAINBERG: Nothing further.

6 THE COURT: Thank you.

7 Anything, counsel?

8 MR. GARVIN: Yes.

9 May I see the last exhibit please?

10 (Continued on next page)

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

J667MO03

Haddow - Recross

1 RECROSS EXAMINATION

2 BY MR. GARVIN:

3 Q. Sir, you were asked in the paragraph numbered 1 it says
4 Jonathan Black, you were asked if Mr. Moore stated that he was
5 working with Jonathan Black. Does the word "working" appear
6 anyplace in paragraph 1, sir?

7 A. Not in that paragraph.

8 Q. I'm now showing you the second paragraph. Does the word
9 "working" appear in that paragraph?

10 A. No. Those are pure descriptions of the individual's
11 experience.

12 MR. GARVIN: Thank you. I have further questions.

13 THE COURT: OK. We will excuse the witness -- thank
14 you -- and ask for the government's next witness.

15 (Witness excused)

16 MR. BELL: Your Honor, the government will call Neil
17 handle man shortly, but we would like to read a stipulation
18 into the record first.

19 THE COURT: So, this is something that's been agreed
20 to by the government and the defense.

21 MR. BELL: Thank you, your Honor. Government Exhibit
22 1250 has been marked for identification as such. It's a
23 stipulation regarding interstate wires, and it reads:

24 It's agreed between the parties that if called to
25 testify, a qualified" --

J667MO03

Hendelman - Direct

1 THE COURT: I'm sorry, you have to speak a little more
2 clearly.

3 MR. BELL: Sure thing.

4 If called to testify, a qualified and knowledgeable
5 person would testify that e-mail exchanges between individuals
6 located in the United States and individuals located at
7 overseas locations of the United Property Group involved the
8 use of interstate wires at all times relevant to this case.

9 With that, your Honor, the government calls Neil
10 Hendelman.

11 NEIL HENDELMAN,

12 called as a witness by the government,

13 having been duly sworn, testified as follows:

14 MR. BELL: Your Honor, before I proceed, I realize I
15 should offer the stipulation that we just entered. Government
16 offers Government Exhibit 1250.

17 THE COURT: I will allow it.

18 (Government Exhibit 1250 received in evidence)

19 DIRECT EXAMINATION

20 BY MR. BELL:

21 Q. Good morning, Mr. Hendelman. Where do you work?

22 A. The Securities and Exchange Commission.

23 Q. Is that also known as the SEC?

24 A. Yes.

25 Q. How long have you worked with the SEC?

J667MO03

Hendelman - Direct

1 A. Since June 2001.

2 Q. What is your title there?

3 A. Supervisory staff accountant.

4 Q. And how long have you had that specific role?

5 A. Since the end of 2010.

6 Q. What are your duties and responsibilities in that role with
7 the SEC?

8 A. I work on investigations into violations of the federal
9 securities laws. I analyze different sets of data.

10 Q. And what did you do with the SEC prior to having that
11 specific title?

12 A. I was a securities compliance examiner, but my role was
13 basically the same.

14 Q. Now, in the course of your work with the SEC, have you been
15 asked to perform tasks regarding a business called Bar Works?

16 A. Yes.

17 Q. And generally speaking what did that work involve?

18 A. I analyzed bank records; I traced the flow of money.

19 Q. And generally speaking, what kinds of bank records did you
20 analyze as part of that work?

21 A. I analyzed the bank records for accounts related to the
22 investigation.

23 Q. Did you put together a chart of the bank records that you
24 used as part of your assignments?

25 A. Yes.

J667MO03

Hendelman - Direct

1 Q. And so I'd like to put just on the witness's screen for the
2 moment what has been marked for identification as Government
3 Exhibit 550.

4 Sir, are you familiar, Mr. Hendelman, with what is on
5 the screen right now?

6 A. Yes.

7 Q. How are you familiar with that, sir?

8 A. These are the accounts I analyzed.

9 Q. And are you familiar with who put together this list?

10 A. I did.

11 MR. BELL: Your Honor, the government offers 550.

12 THE COURT: I will allow it.

13 (Government Exhibit 550 received in evidence)

14 MR. BELL: Can we briefly publish that?

15 THE COURT: Yes.

16 Q. So here you have, is it fair to say, a list of accounts and
17 what is called a date range of data? And is it fair to say
18 that you analyzed those accounts -- or records of those
19 accounts relating to the date ranges you have listed here?

20 A. Yes.

21 Q. There is a column at the very right end that says "analyzed
22 by Neil". And the fields for each of those say yes, with one
23 exception towards the very bottom. There is an account name
24 called Universal Voice Tech from a bank called Suntrust, and it
25 says, "Yes, but need to enter checks." What does that mean,

J667MO03

Hendelman - Direct

1 Mr. Hendelman?

2 A. At the time of the analysis I did not have the checks
3 written on the account, so I did not put those into my analysis
4 for that account.

5 Q. Did you have records separate and apart from those actual
6 checks?

7 A. Yes.

8 MR. BELL: Let's take that down, Mr. Cooney. Thank
9 you.

10 At this time, your Honor, I would like to read an
11 additional stipulation into the record; it's Government Exhibit
12 1255.

13 THE COURT: OK.

14 MR. BELL: It's stipulated and agreed by and between
15 the United States of America and the defendant that if called
16 to testify at trial, custodians of records from the following
17 financial institutions would testify that they are familiar
18 with the recordkeeping practices of their respective
19 institutions. And just to shorten them to move things along,
20 they are JP Morgan Chase Bank, Wells Fargo, Bank of America,
21 Capital One, Citibank and Suntrust.

22 The custodians would testify that as to the following
23 Government's Exhibits associated with each institution, the
24 exhibits consist of true and correct copies of records of
25 regularly conducted activity made at or near the time of the

J667MO03

Hendelman - Direct

1 activity, or from information transmitted by a person with
2 knowledge of the matters set forth.

3 There is then a list of a number of exhibits between
4 Government Exhibit 500 and 526. The custodians would further
5 testify as to their respective records that the records were
6 kept in the course of a regularly conducted business activity
7 and were created as a regular practice of that business
8 activity.

9 It is further agreed that those exhibits, 500 through
10 526, are business records and that they and the stipulation are
11 admissible at trial.

12 The government offers Government Exhibit 1255 and 500
13 through 526.

14 THE COURT: I will allow it.

15 (Government Exhibits 1255 received in evidence)

16 (Government Exhibits 500 through 526 received in
17 evidence)

18 Q. Now, generally speaking, Mr. Hendelman, do you understand
19 some of those exhibits to include exhibits that you reviewed
20 and included on that chart we mentioned moments ago, generally
21 speaking?

22 A. Yes.

23 Q. Now, in doing your work, did you create charts so as to
24 summarize the activity that you saw in those bank records?

25 A. Yes.

J667MO03

Hendelman - Direct

1 Q. And did those charts summarize records that otherwise might
2 be too voluminous or inconvenient to read in court?

3 A. Yes.

4 Q. So what I'd like to do is direct your attention to
5 Government Exhibit 527, which we will put up on your screen.

6 Mr. Cooney, can we do that? And we will do it in
7 native form.

8 So, we are on a tab right now within this chart
9 labeled summary.

10 And I will ask Mr. Cooney for you to just cycle
11 through the other tabs very briefly, this one relating to a
12 1622 account, the next 1172, and the next 1379.

13 Now let's go to the summary once again. And so are
14 you familiar with this chart, sir?

15 A. Yes.

16 Q. And how are you familiar with it?

17 A. I made it.

18 Q. And what does this chart -- what information does this
19 chart contain?

20 A. It's a summary of the investors in the Bar Works accounts.

21 Q. And is that based on the same bank records that you
22 reviewed as part of your work?

23 A. Yes.

24 MR. BELL: The government offers Government Exhibit
25 527.

J667MO03

Hendelman - Direct

1 MR. GARVIN: No objection.

2 THE COURT: I will allow it.

3 (Government Exhibit 527 received in evidence)

4 MR. BELL: And if we could publish that, Mr. Cooney.

5 Q. Now, we are looking at -- and I think the jury can now see
6 this -- we are looking at the summary tab within that chart,
7 and so I'm going to ask a number of questions to draw out what
8 it is that we're looking at here.

9 First of all, you have listed a number of accounts in
10 column A. What are those generally speaking?

11 A. Those are the bank accounts.

12 Q. And are each of those bank accounts belonging to Bar Works
13 or a related entity at a specific bank?

14 A. Yes.

15 Q. And do they contain account numbers that allow one to
16 understand which specific account we are looking at?

17 A. Why.

18 Q. There is then column B, a time period, and what does that
19 column denote?

20 A. That is the time period of my review for those accounts.

21 Q. The next two columns are listed as debits and credits,
22 column C and column D. What do those tell us, sir?

23 A. Credits are the total money received from investors; debits
24 are the total monies paid back to investors.

25 Q. And so for purposes of this exercise let's run through line

J667MO03

Hendelman - Direct

1 2 very quickly. For the JP Morgan Bar Works account that ends
2 in number 1622, is it the case that between -- based on your
3 review -- December 31, 2015 and December 30, 2016 you saw
4 roughly \$30.1 million come in from investors over that time and
5 about half a million dollars go out?

6 A. Yes.

7 Q. And totaling all of these, let's look at line 6. Are these
8 the total debits and total credits that we see in column C and
9 column D?

10 A. Yes.

11 Q. And then at the very end we have a grand total. What is
12 that total?

13 A. That's the total credits minus the total debits.

14 Q. And so is it the result of your analysis that you saw over
15 these time periods a net of \$37,086,355.61 come into Bar Works
16 from investors over the time periods covered?

17 A. Yes.

18 MR. BELL: One moment, please.

19 Q. Now, recognizing, Mr. Hendelman, that you were limited to
20 the accounts that you were actually given, do you know
21 conclusively that that is all of the money that came into Bar
22 Works over these periods of time?

23 A. No.

24 Q. What else is possible by way of example?

25 A. There could be additional accounts that received money that

J667MO03

Hendelman - Direct

1 I did not analyze.

2 Q. Understood. And then just to go through each of those
3 three tabs very briefly. What do we have here?

4 A. That's a list of the investors, the date of their
5 investment and the amount of their investment.

6 Q. And so does that break out each of the transactions that
7 contributed to the summary tab that we just looked at?

8 A. Yes.

9 Q. So, can the jury, if they are so inclined, trace that
10 individual investment by individual investment transactions?

11 Mr. Hendelman?

12 A. Yes.

13 Q. OK, thank you. We can take that exhibit down. Now I'd
14 like to just put up on the witness's screen what has been
15 marked for identification as Government Exhibit 528, a
16 spreadsheet.

17 So, are you familiar, Mr. Hendelman, with this
18 exhibit?

19 A. Yes.

20 Q. And how are you familiar with it?

21 A. I created it.

22 Q. And in creating this spreadsheet, what was it that you were
23 looking to summarize for benefit of the jury?

24 A. I was looking to identify all payments to Jim Moore and his
25 entities.

J667MO03

Hendelman - Direct

1 Q. And what entity did you understand to be associated with
2 Mr. Moore in performing this task?

3 A. Universal Voice Tech.

4 MR. BELL: Your Honor, the government offers
5 Government Exhibit 528.

6 MR. GARVIN: No objection.

7 THE COURT: I will allow it.

8 (Government Exhibit 528 received in evidence)

9 MR. BELL: So, if you can publish that to the jury,
10 Mr. Cooney.

11 Q. And, so this is a chart that you put together. I am going
12 to essentially run through the columns in a similar fashion to
13 what we did before.

14 First of all, there is a column A which is
15 abbreviated, but it appears to read "statement account number".
16 Is that right?

17 A. Yes.

18 Q. And what do we have here?

19 A. The account number for the bank accounts.

20 Q. And are those bank accounts Bar Works bank accounts?

21 A. Yes.

22 Q. Are those the same three bank accounts that we saw
23 summarized at the previous chart?

24 A. Yes.

25 Q. And are they named in column B?

J667MO03

Hendelman - Direct

1 A. Yes.

2 Q. There is then it appears to be in column C a TRN date
3 column. What's that?

4 A. Transaction date.

5 Q. And is that just the date of an individual transfer?

6 A. Yes.

7 Q. You then you have in column D a description column. What
8 is it that we have there?

9 A. The bank provided that information, whether the transaction
10 was a debit, or a wire or a different type of transfer.

11 Q. And to your knowledge and given your experience, are the
12 things listed there, debit wire out, electronic funds transfer,
13 outbound transfer, are those just different ways of sending
14 money?

15 A. Yes.

16 Q. There is then a debits column. What do we see there?

17 A. That's the amount of the transaction.

18 Q. And there is a credits column, and what would credits mean?

19 A. That would be money flowing from column G to column B.

20 Q. And did you observe any such transactions in your review of
21 these records?

22 A. No.

23 Q. So, finally there is a counterparty. Recognizing that
24 these were all debits, what does the counterparty show here?

25 A. This is the account that received the money in column E.

J667MO03

Hendelman - Direct

1 Q. Was that in all cases referenced here a Universal Voice
2 Tech -- or an account in the name of Universal Voice Tech --
3 ending in numbers 3379 at Suntrust Bank?

4 A. Yes.

5 Q. There is a notes column which is blank with the exception
6 of the bottom two entries, where your note I think in both
7 cases "We don't have May 2016 records for 3379." What does
8 that mean, sir?

9 A. I had records for the three Bar Works accounts and the
10 Universal Voice Tech account, and the transaction would involve
11 both accounts, so I would check both sets of accounts to cross
12 reference, to make sure the transaction appeared in both
13 accounts; but for the last two transactions we didn't have the
14 Universal Voice Tech data, so I just saw the transaction on the
15 Bar Works side.

16 Q. So is it fair to say that for the bulk of these
17 transactions you were able to do sort of a belt and suspenders
18 check on both sides of the transaction but for those two you
19 only had belt?

20 A. Correct.

21 Q. Let's go back to the debits column. For the time periods
22 referenced here, and for the transactions that you reviewed,
23 what is the total amount of money that you found that went from
24 the various Bar Works accounts to the Jim Moore entity in the
25 transactions that you laid out here?

J667MO03

Hendelman - Direct

1 A. 1.599 million.

2 Q. And let's highlight it right there.

3 Now let's take that down, Mr. Cooney. Thank you.

4 Now, I'd like to very briefly direct your attention to
5 Government's Exhibits 310 and 172. These are already in
6 evidence.

7 Can we put up 310 first, please.

8 And so I will note that these are -- it has already
9 been stipulated within this trial -- documents that an
10 individual named Vincent Lake took with him from Bar Works when
11 he was employed there. Were you asked to do work with
12 Government Exhibit 310?

13 A. Yes.

14 Q. And can we put 172 up very briefly. That beep sounds
15 ominous, Mr. Cooney.

16 OK. So the jury apparently did not see some of that.
17 So, is this the chart 310 that you were asked to do some
18 additional work with?

19 A. Yes.

20 Q. The chart that you understand to have come from Mr. Lake?

21 A. Yes.

22 Q. And can we put up 172 very briefly as well. And can we run
23 through the --

24 And were you likewise asked to do work with these
25 tabs?

J667MO03

Hendelman - Direct

1 A. Yes.

2 Q. Or with this chart, rather.

3 A. Yes.

4 Q. So, can we put up just for the witness for the moment what
5 has been marked for identification as Government Exhibit 310X.

6 Now, Mr. Hendelman, what work generally were you asked
7 to do with the spreadsheets that had come from Mr. Lake?

8 A. I was asked to cross reference the investors on Vincent
9 Lake's spreadsheet with the bank statements, the bank records,
10 to make sure that the Bar Works accounts received the money
11 that appeared on Vincent Lake's spreadsheet.

12 Q. Put another way, is that to make sure that's what is in the
13 chart has some basis in the bank record transactions that
14 actually happened?

15 A. Yes.

16 Q. And did you create a chart or multiple charts to track what
17 you found?

18 A. Yes.

19 Q. And is Government Exhibit 310X currently on your screen one
20 of those charts?

21 A. Yes.

22 MR. BELL: Your Honor, the government offers 310X.

23 MR. GARVIN: No objection.

24 THE COURT: I will allow it.

25 (Government Exhibit 310X received in evidence)

J667MO03

Hendelman - Direct

1 MR. BELL: So can we publish that to the jury,
2 Mr. Cooney.

3 Q. So, I want to first go to the tabs at the bottom. You will
4 see that there are what appear to be a number of months.

5 A. Yes.

6 Q. And were those the months that were covered in the original
7 document for Mr. Lake, that is to say, Government Exhibit 310?

8 A. Yes. I did not touch those work books.

9 Q. Understood. So, let's then stay where we are right now on
10 the chart that you did make at the end of those. And so what
11 is it broadly speaking that you attempted to do here, Mr.
12 Hendelman.

13 A. I attempted to cross reference the investors that Vincent
14 Lake provided with the bank records.

15 Q. And so let's go through the information that's here.

16 First of all, there is a month column, and what's
17 there? What is the significance of column A?

18 A. That was taken from Vincent Lake's workbooks, the month
19 that the investor made their investment in 2016.

20 Q. And that's how they were divied up in the original
21 spreadsheet?

22 A. Yes.

23 Q. There is then an investor column. It may seem obvious, but
24 what is that?

25 A. That is the name of the investor.

J667MO03

Hendelman - Direct

1 Q. There are then two columns in column C and column D for
2 Vincent Lake amount and bank statement amount, and what are
3 those, sir?

4 A. The Vincent Lake amount is the amount that was on Vincent
5 Lake's workbooks, and the bank statement amount is what I was
6 able to see in the bank records.

7 Q. And then there is also a soliciting entity column. Were
8 you asked to perform this analysis with respect to multiple
9 soliciting entities or just one soliciting agent?

10 A. Just one.

11 Q. Which was that?

12 A. UPG.

13 Q. And then there is also a bank record and date column.
14 Generally speaking, what are those?

15 A. That is the account where I found the investments and the
16 date of the investments.

17 Q. Now I'll note for the record that Government 310X consists
18 of what seems to be a pretty good amount of green print and a
19 modest amount of red print. Was there meaning to the color
20 distinctions that you used here?

21 A. Green means I was able to cross reference everything
22 nicely, and red means there was a small discrepancy.

23 Q. And with respect to the discrepancies, generally what sorts
24 of discrepancies did you come upon when you were doing this
25 work?

J667MO03

Hendelman - Direct

1 A. Some of the names didn't match up. Once the amounts did
2 not match up; that's on row 8.

3 Q. Got you. So, let's take a look at row 8 just for example.
4 What discrepancy did you spot here?

5 A. Vincent Lake reported that the investment was for \$25,000,
6 but I was only able to find an investment for \$44,000 by the
7 relevant person at the relevant time.

8 Q. And then let's take a look at line 23, which also includes
9 some red ink. What was the nature of the discrepancy that you
10 saw there?

11 A. The name that I found for the investor did not match the
12 name provided by Vincent Lake.

13 Q. By and large for the 2016 transactions, were the amounts
14 listed in the Vincent Lake-provided spreadsheet backed up by
15 the bank records?

16 A. Yes.

17 Q. So, let's go to the very bottom of this chart and focus in
18 for a moment on what is coming through as line 106. There
19 appear to be grand totals beneath the Vincent Lake-reported
20 amount and the bank statement amount. Can you tell us what
21 they are and what they mean.

22 A. I totaled all of Vincent Lake's investments, and I totaled
23 all the investments I found in the bank records.

24 Q. And it appears to be the difference of 5.09 million versus
25 5.11 million?

J667MO03

Hendelman - Direct

1 A. Yes.

2 Q. And to be clear, that's 5.09 million that were in the
3 spreadsheet that Mr. Lake took from Bar Works and 5.11 million
4 accounted for in the bank statements that you yourself
5 reviewed.

6 A. Yes.

7 Q. Let's take that down for just a moment.

8 Now, you mentioned that you did similar work with
9 Government Exhibit 172.

10 Can we put just on the witness's screen for the moment
11 172X.

12 So, are you familiar with this chart, sir?

13 A. Yes.

14 Q. And how are you familiar with it?

15 A. I created it.

16 Q. And was this intended to do essentially the same -- perform
17 essentially the same function as the chart that we just went
18 through?

19 A. Yes.

20 Q. But with respect to a different source chart.

21 A. Yes.

22 Q. Now, Government Exhibit 310 you mentioned had consisted of
23 just a number of months in 2016. Did 172 have other months
24 prior to that?

25 A. I don't recall.

J667MO03

Hendelman - Direct

1 Q. So let's take a quick look. This is 172X. The months that
2 you are graphing here, what year did they take place in?

3 A. 2015.

4 Q. And so is it fair to say that 172 covers 2015
5 transactions -- 172X covers 2015 transactions that you saw in
6 172?

7 A. Yes.

8 MR. BELL: Your Honor, the government offers
9 Government Exhibit 172X.

10 MR. GARVIN: No objection.

11 THE COURT: I will allow it.

12 (Government Exhibit 172X received in evidence)

13 MR. BELL: So, let's publish that for the jury.

14 Q. So, there is an initial list here that lists a number of
15 investors, date of purchase, and the green does it again
16 represent the areas where you saw that there was backup in the
17 bank records to what was in the chart?

18 A. Yes.

19 Q. And there were red lines that suggested discrepancies?

20 A. Yes.

21 Q. And so can we scroll down to the bottom of 23.

22 So, some of the discrepancies it seems were perhaps
23 self explanatory. Can we go to line 11. What was the nature
24 of the discrepancy there?

25 A. The investor names were slightly different.

J667MO03

Hendelman - Direct

1 Q. And so there is indeed a Dina Kreimer as a supposed to a
2 Kreimer Pavel. Is that one such example?

3 A. Yes.

4 Q. And so within those it seems you were able to find backup
5 for another approximately \$800,000 or so that went from
6 investors to UPG?

7 A. Yes.

8 Q. Let's now scroll down just a little bit. There is a
9 section here that says "missing". What does that mean?

10 A. I could not find these transactions in the bank records.

11 Q. Now, when you put together this missing tab, did you have
12 any other supporting documentation or outside evidence that
13 could potentially explain where there was missing information?

14 A. Yes.

15 Q. What sorts of other information did you have?

16 A. An e-mail that contained I believe another e-mail which had
17 information that suggested that one of the names in red did in
18 fact invest the amounts that Vincent Lake reported.

19 Q. So let's mosey on over in that direction. But before we
20 do, I want to direct your attention to line 40 and line 43 and
21 172X which you put together. Is there a common investor as to
22 those two lines?

23 A. Yes.

24 Q. And who is that investor?

25 A. Julian White.

J667MO03

Hendelman - Direct

1 Q. And what transaction amounts are represented on those
2 lines?

3 A. So, row 40 references \$154,000, and row 43 references
4 \$150,000.

5 Q. And the transaction date?

6 A. December 28, 2015 for the first one. And the second one is
7 December 28, 2015.

8 Q. Now, Mr. Hendelman, the fact that this is in this section
9 and in red means that you didn't find a \$154,000 transaction or
10 a \$150,000 transaction corresponding to Mr. White on that date;
11 is that correct?

12 A. In the bank records, correct.

13 Q. In the bank records.

14 A. Correct.

15 Q. Now you mentioned an e-mail.

16 Can we, Mr. Cooney, publish Government Exhibit 1158,
17 which has already been admitted into evidence.

18 So, is this the e-mail that you mentioned a moment
19 ago?

20 A. Yes.

21 Q. So, why don't we focus in on the message at the top. This
22 is a December 10, 2015 e-mail from Timothy Connell, United
23 Property Group -- I'm sorry. The to and from fields are
24 inverted from what one might expect. From Julian White to
25 Timothy Connell at the United Property Group, and it copies JR

J667MO03

Hendelman - Direct

1 at the United Property Group. And on December 10, 2015
2 Mr. White writes, "Hi Tim. Attached is a copy of my passport.
3 In addition, the first transfer has taken place today and
4 attached is the confirmation. The daily amount is still being
5 exceeded at \$150,000, so I will have to make six daily payments
6 of \$100,000. It's been a pleasure working with you too and
7 thanks for all the assistance to date."

8 So, it's the case that you didn't see the \$150,000
9 transfers that according to this e-mail were made. Is that the
10 case, Mr. Hendelman?

11 A. Yes.

12 Q. Let's take that down.

13 Now, were you provided with similar supporting e-mail
14 documentation for the other red e-mails in that section?

15 A. No.

16 Q. So, is it fair to say that you don't know one way or the
17 other what may account for a discrepancy like Mr. White's
18 between those transactions in the chart and the bank records
19 that we saw?

20 A. Correct.

21 Q. Now, if we can, Mr. Cooney, can we put up Government
22 Exhibit 172, that being the spreadsheet that Mr. Lake had
23 brought in.

24 So, this is from the document that you borrowed from
25 Mr. Lake, and I believe -- as has already been noted here at

J667MO03

Rivera - Direct

1 trial -- it notes that \$7,499,000 at this point has come in via
2 UPG to Bar Works. And is it safe to say, Mr. Hendelman, that
3 you were able to account in the bank records for several
4 million of that?

5 A. Yes, most of it.

6 MR. BELL: No further questions for Mr. Hendelman.
7 Thank you very much, sir.

8 THE COURT: Counsel?

9 MR. GARVIN: Your Honor, we have no questions.

10 THE COURT: OK, thank you very much. We will excuse
11 the witness and ask for the government's next witness.

12 (Witness excused)

13 MR. BELL: Your Honor, the government calls Jason
14 Rivera.

15 JASON RIVERA,

16 called as a witness by the government,

17 having been duly sworn, testified as follows:

18 DEPUTY COURT CLERK: Please state your full name for
19 the record.

20 THE WITNESS: Jason Anthony Rivera, R-i-v-e-r-a.

21 MR. BELL: Your Honor, may I proceed?

22 THE COURT: Sure.

23 DIRECT EXAMINATION

24 BY MR. BELL:

25 Q. Good morning, Mr. Rivera, just under the gun.

J667MO03

Rivera - Direct

1 A. Good morning.

2 Q. Where do you work?

3 A. I work for Maimonides Cancer Center.

4 Q. And what do you do there?

5 A. I am a PC tech.

6 THE COURT: A what?

7 THE WITNESS: PC tech.

8 Q. What is your highest level of education?

9 A. Some college.

10 Q. And somewhere in between college and your current job did
11 there come a point when you came to work for a company called
12 In Crowd Equity?

13 A. Affirmative.

14 Q. How did you find -- well, how did you come to work at In
15 Crowd Equity?

16 A. I applied for a position on Craig's List.

17 THE COURT: Sorry? On Craig's List, did you say?

18 THE WITNESS: Yes, your Honor.

19 Q. And who interviewed you for the job?

20 A. Renwick Haddow.

21 Q. Who did you understand Mr. Haddow to be when you
22 interviewed with him?

23 A. High ranking officer within the company.

24 Q. Did you get the job after the interview?

25 A. Affirmative.

J667MO03

Rivera - Direct

1 Q. And approximately when was that?

2 A. Around August 2015. I'm sorry, the end of July 2015.

3 Q. When you started to work at In Crowd Equity, what did you
4 understand In Crowd Equity to be as a business?

5 A. Crowd funding platform.

6 Q. And what do you mean by crowd funding?

7 A. Where they raise funding for companies, sort of like Shark
8 Tank.

9 THE COURT: Shark Tank is the TV show?

10 THE WITNESS: Yes, your Honor.

11 Q. So, what were your responsibilities when you first got the
12 job?

13 A. I was the administrative assistant.

14 Q. What did you do as administrative assistant there?

15 A. Processed paperwork, send out marketing materials.

16 Q. And did your responsibilities at In Crowd Equity change
17 over time?

18 A. Affirmative.

19 Q. And how did they change?

20 A. The standing administrator was no longer with the company.
I was then promoted to administrator.

22 Q. And what were your duties and responsibilities once you
23 were promoted to administrator?

24 A. Along the same lines of responsibilities.

25 Q. Now, through -- I should ask, where was In Crowd Equity

J667MO03

Rivera - Direct

1 physically located when you started?

2 A. When I started it was on Broadway.

3 Q. And did that location change, or the location where you
4 worked change during the time you worked at In Crowd Equity?

5 A. Affirmative.

6 Q. And how and when did it change?

7 A. Around August, and we moved to an office on 37th Street, I
8 believe.

9 THE COURT: What year?

10 THE WITNESS: Same year, 2015.

11 Q. What were In Crowd Equity's offices like atmospherically?

12 A. I would compare it to Wolf of Wall Street.

13 Q. How would you compare it to Wolf of Wall Street?

14 A. It was a very -- how would I compare it -- it was a live
15 environment, for lack of better words, working among
16 degenerates.

17 Q. Now, over the course of your time working at I Crowd
18 Equity, did you become familiar with an entity called Bar
19 Works?

20 A. Affirmative.

21 Q. And how did you become familiar with Bar Works?

22 A. It was one of the companies we were raising funds for.

23 Q. What did you understand Bar Works to offer its customers?

24 A. Leases on desks as well as shares within the company.

25 Q. Did you have e-mail accounts while you were at In Crowd

J667MO03

Rivera - Direct

1 Equity?

2 A. Affirmative.

3 Q. And did you use that e-mail account to conduct business?

4 A. Affirmative.

5 Q. I want to publish to you what has already been admitted as
6 Government Exhibit 408. Sir, are you -- sir, just looking at
7 perhaps the signature, was that your e-mail signature for a
8 time when you were working at In Crowd Equity?

9 A. Affirmative.

10 Q. And do you remember sending out e-mails of this sort?

11 A. Affirmative.

12 Q. And generally speaking, what were these types of e-mails?

13 A. Sent to possible investors.

14 Q. And would this have been an example of the sort of e-mail
15 that you would send to a potential investor in Bar Works?

16 A. Affirmative.

17 Q. Now, there is a part in the first paragraph that references
18 a conversation of Mr. White with this CEO of In Crowd Equity
19 Robert Haslem. Did you have any firsthand knowledge of that
20 conversation when you put together forms like this?

21 A. Firsthand knowledge?

22 Q. Yes.

23 A. Negative.

24 Q. And did you in fact know Mr. Haslem?

25 A. Negative, not personally.

J667MO03

Rivera - Direct

1 Q. Let's take that down.

2 So, did there come a point where law enforcement or
3 regulatory authorities visited In Crowd Equity's offices?

4 A. Affirmative.

5 Q. About how far into your time there did that happen?

6 A. The following year, first quarter of 2016.

7 Q. And what was it actually that happened? Who showed up?

8 A. From my understanding it was the SEC.

9 Q. And did you actually see the folks show up?

10 A. Affirmative.

11 Q. What did they look like?

12 A. I vaguely recall. They were guys in suits. I just
13 happened after the fact to be told.

14 THE COURT: They were what?

15 THE WITNESS: Wearing suits, and just after the fact I
16 was told that's what it was.

17 THE COURT: After the fact you were told?

18 THE WITNESS: Correct. At the time I didn't know that
19 it was the SEC.

20 Q. Understood. Now, what, if anything, changed about the way
21 that the business was run after that visit took place?

22 A. As far as changes, I would say more involvement in making
23 sure that the paperwork was obtained.

24 Q. And when you say making sure the paperwork was obtained,
25 what do you mean by that?

J667MO03

Rivera - Direct

1 A. Credited investor forms -- the necessary paperwork. It
2 wasn't any changes to what I've done, just people were more
3 involved -- when I say people, Renwick Haddow was making sure I
4 was doing my job.

5 Q. Had things been somewhat, for lack of a better term, loosey
6 goosey prior to that point?

7 A. Not on my watch. I was trusted to do my job.

8 Q. Well, broadly speaking, not you in particular.

9 A. Can you repeat the question?

10 Q. Had things been somewhat looser in terms of that paperwork
11 being filled out?

12 A. No, not in reference to my job.

13 Q. OK. So, when you got started at -- withdrawn.

14 When you became familiar with Bar Works while working
15 In Crowd Equity, did you have an understanding of who the CEO
16 of Bar Works was?

17 A. Affirmative.

18 Q. And what was your understanding?

19 A. Jonathan Black.

20 Q. And where did you get that understanding, sir?

21 A. From the marketing materials.

22 Q. And did you handle those marketing materials over the
23 course of your job responsibilities?

24 A. Affirmative.

25 Q. Now, did there come a time when In Crowd Equity shut down?

J667MO03

Rivera - Direct

1 A. Affirmative.

2 Q. Approximately when?

3 A. I would say weeks if not maybe a few months after SEC
4 showed up.

5 Q. And after -- well, first of all, how did you come to learn
6 that In Crowd Equity was shutting down?

7 A. I was told.

8 Q. By who?

9 A. Renwick Haddow.

10 Q. And did Mr. Haddow direct you to do anything at the time
11 that In Crowd Equity was shut down?

12 A. I don't understand the question.

13 Q. Sure. At the time that Mr. Haddow told you that In Crowd
14 Equity would be no more, did he ask you to do anything with
15 respect to the current employees at In Crowd Equity?

16 A. Yes.

17 Q. What did he ask you to do?

18 A. Let go the employees who weren't going to stay.

19 Q. And is that what happened?

20 A. Affirmative.

21 Q. After In Crowd Equity was shut down, what happened to you?

22 A. I was then offered a position to be a project manager. I
23 accepted only on the terms that I would be contracted and not
24 an actual employee.

25 Q. When you were extended the opportunity to be a project

J667MO03

Rivera - Direct

1 manager, given that In Crowd Equity shut down, project manager
2 with whom?

3 A. Bar Works.

4 Q. And who extended you that offer?

5 A. Renwick Haddow.

6 Q. So, did you in fact sign on as a contractor?

7 A. Affirmative.

8 Q. Now, after In Crowd Equity closed -- oh, well, I should ask
9 this: Once you became a contractor with Bar Works, what were
10 your job responsibilities with respect to Bar Works?

11 A. Primarily was bringing up the locations as far as network
12 infrastructure, getting locations ready for members. I also
13 dealt heavily with vendors as well as lawyers to get permits
14 for these locations.

15 Q. Now, during your time with Bar Works, did you become
16 familiar with how Bar Works found investors?

17 A. Repeat the question.

18 Q. Sure. Once you were onboard with Bar Works, did you have
19 an understanding of how Bar Works got investor money?

20 A. I could have assumed, considering I came from In Crowd
21 Equity.

22 THE COURT: Don't assume. Did you know?

23 THE WITNESS: No.

24 Q. Did you become familiar with an entity called United
25 Property Group or UPG?

J667MO03

Rivera - Direct

1 A. Vaguely.

2 Q. And what was your understanding at the time of what that
3 entity was?

4 A. It was when I was with In Crowd Equity, I was advised to
5 send over marketing materials for potential investors.

6 THE COURT: Send it to whom?

7 THE WITNESS: To said company, United Property Group.

8 THE COURT: To who?

9 THE WITNESS: United Property Group.

10 Q. You mentioned that there was a point during your time at In
11 Crowd Equity that you had understood the CEO of Bar Works to be
12 Jonathan Black. Did there come a point during your time at Bar
13 Works where you questioned that information?

14 A. With Bar Works?

15 Q. Yes, sir.

16 A. Affirmative.

17 Q. And approximately when did that happen?

18 A. I would say a few weeks to a few months as my tenure as
19 project manager.

20 Q. And so what was it that prompted you to question whether
21 Mr. Black was in fact the CEO?

22 A. There was someone who inquired to speak with Jonathan Black
23 that they made at a trade show by description of Renwick
24 Haddow.

25 THE COURT: Could you read that back.

J667MO03

Rivera - Direct

1 (Record read)

2 Q. And when you say description of Renwick Haddow, do you mean
3 physical description?

4 A. Affirmative, the baldness as well as the accent.

5 Q. And you understood that description to correspond with Mr.
6 Haddow?

7 A. Affirmative.

8 Q. Did you ask Mr. Haddow about this?

9 A. Negative.

10 Q. Did there come at any point a time where you and Mr. Haddow
11 discussed the identity of Mr. Black?

12 A. During my tenure at In Crowd Equity.

13 Q. So going back to your time at In Crowd Equity, what
14 conversation had you had with Mr. Haddow?

15 A. It was shortly after SEC showed up, I questioned the
16 credentials in regards to the company and those companies we
17 were raising funds for.

18 Q. And why did you do that?

19 A. The SEC showed up.

20 Q. You said the SEC showed up. And was Mr. Haddow able to
21 address your concerns?

22 A. Affirmative.

23 Q. Now, at the time that you worked at either In Crowd Equity
24 or Bar Works, did you know an individual named James Moore or
25 Jim Moore?

J667MO03

Rivera - Direct

1 A. Vaguely.

2 Q. How so?

3 A. Through an e-mail exchange.

4 Q. And what was the general nature of the e-mail exchange with
5 Mr. Moore?

6 A. I was advised by Natalie to send over marketing materials.

7 Q. And when you say -- let's break that down. You say that
8 you were advised by Natalie. Who was Natalie?

9 A. Natalie, from my understanding, was from In Crowd Equity
10 UK.

11 Q. And you were advised to send over marketing materials to
12 whom?

13 A. To Jim.

14 Q. And so can we publish what is already in evidence as
15 Government Exhibit 403.

16 THE COURT: You were advised by Natalie to send Jim
17 marketing materials?

18 THE WITNESS: Correct. Either advise or was requested
19 that I send it to him by Natalie. I was either requested or
20 advised to send the marketing materials to Jim.

21 Q. And so let's take a look at 403. This is an e-mail from
22 Natalie at Bar Works NYC. Is that the same Natalie that you're
23 discussing?

24 A. Affirmative.

25 Q. And it's to AnaKP2014@gmail.com. At the top is Jason

J667MO03

Rivera - Direct

1 Rivera and Renwick Haddow. The body says, "Hi, Jim, I have
2 drop boxes populated to what Jason sent me but I did ask him to
3 complete a checklist of documents so I could be entirely sure
4 that every drop box contains the necessary documents, and I am
5 also awaiting the retail brochure. Have not received that as
6 yet."

7 "Jason could you send me this back ASAP as or just
8 confirm to me that the contents for each drop box is sent."

9 By the way, what is a drop box, sir?

10 A. Digital storage space.

11 Q. And as a general matter, when you send things through drop
12 box, who were you sending it to? What types of people?

13 A. Based on this e-mail it was for Natalie.

14 Q. But what types of people did you send drop box materials
15 to -- or materials via drop box to?

16 A. Materials? I'm sorry. Can you repeat the question.

17 Q. Well, I think a better way to do it would be to put up
18 Government's Exhibit 400, which is also already in. And if we
19 can focus in on that top e-mail. Actually, can we jump out of
20 the blow-up box for a moment and focus on the bottom exchanges.
21 All the way down. Thank you, sir.

22 So, at the very bottom AnaKP writes, "Hi, Natalie.
23 Can you let us have that drop box link to the finished
24 documents. We are trying to get a client onboard for a couple
25 of deals and ideally would speak with him first thing tomorrow

J667MO03

Rivera - Direct

1 European time."

2 Natalie writes back, "Jason, can you send me any
3 documents I need to include in the drop boxes, and specify
4 which specify which drop box they are to be included in. I'm
5 off to bed now, but if you can send ASAP I can complete the
6 drop boxes and do a contents page."

7 At which point AnaKP writes, "Thanks, Nat. Appreciate
8 it."

9 Can we now go to the upper part. In this e-mail you
10 say, "These are for customers" and there are some attachments,
11 it seems.

12 THE COURT: Wait. This is an e-mail from who to who?

13 THE WITNESS: Oh, I'm sorry. It's from myself to
14 AnaKP, cc'ing Natalie as well as Renwick Haddow and United
15 Property Group, several members.

16 Q. And so when you sent materials --

17 THE COURT: And which others?

18 THE WITNESS: I'm sorry?

19 THE COURT: You said several others. Say who.

20 THE WITNESS: David Kennedy, JR, and then Neil Storey
21 as well.

22 Q. And so when you sent e-mails out with materials like these,
23 were these marketing materials, sir?

24 A. This in particular were for the members, yes.

25 Q. And let's go to 401 briefly. And let's go to the middle

J667MO03

Rivera - Direct

1 first. Whereas in the earlier e-mail you said these are for
2 customers, you said these are for investors.

3 And let's go to the very top. It's an e-mail from
4 AnaKP2014@gmail to you, copying Natalie at Bar Works, Renwick
5 Haddow, two people at the United Property Group and Neil
6 Storey. And it says, "hi, Jason, thanks for this. The
7 documents appear to be for sale of the share investment into
8 Bar Works strictly for accredited investors. This is the type
9 of offer I know that will be made by in crowd etcetera. Can
10 you also help us with the documentation and brochure ware for
11 the potential buyers of the workspaces themselves (the people
12 who buy the ten year lease on the workspace) as that is the
13 area we will be mainly focusing our attention. Thanks, Jim."

14 Let's actually come out of this, if we can, and let's
15 put up Government Exhibit 410. Government Exhibit 410 is a
16 June 20, 2016 e-mail regarding the June 29th opening event at
17 the West Village location, and it says it's from Jonathan
18 Black. Now, at this point in June of 2016 had you actually met
19 Jonathan Black?

20 A. Negative.

21 Q. Did you know who he was?

22 A. Other than the CEO of Bar Works, negative.

23 THE COURT: Other than?

24 THE WITNESS: The CEO of Bar Works.

25 Q. And where did you think Mr. Black was operating out of at

J667MO03

Rivera - Direct

1 this point?

2 A. At that point?

3 Q. Yeah, physically.

4 A. Not at our locations. Overseas perhaps.

5 THE COURT: I'm sorry?

6 THE WITNESS: Overseas perhaps. I don't believe I
7 accurately recall.

8 THE COURT: You don't want.

9 THE WITNESS: I don't believe I can accurately recall
10 my train of thought at that time.

11 Q. OK. And so this is an e-mail from Mr. Black to project
12 manager, that's contractor@barworks.nyc. Whose e-mail address
13 was that?

14 A. That was my e-mail address during my tenure.

15 Q. And was that at the time that you left In Crowd Equity and
16 you were a contract product manager at Bar Works?

17 A. I'm sorry, repeat the question.

18 Q. Is that after you left In Crowd and were with Bar Works?

19 A. Affirmative.

20 Q. And you were a contractor for them?

21 A. Affirmative.

22 Q. There were other people in the subject line. Do you recall
23 who Janine Just was?

24 A. Affirmative.

25 Q. Who was she?

J667MO03

Rivera - Direct

1 A. She was the publicist we acquired.

2 Q. Do you recall who Zoe Miller was?

3 A. Affirmative.

4 Q. Who was she?

5 A. Cofounder of Bar Works.

6 Q. And Franklin?

7 A. Affirmative.

8 Q. Who is he?

9 A. Sales manager.

10 Q. Then there is Jason R, jasonrivera@barworks, which I
11 imagine is also you.

12 A. Affirmative.

13 Q. Did you have an understanding of who info@barworks.nyc was?

14 A. Negative.

15 Q. Now, let's go into the body of that e-mail. Do you recall
16 a June opening event of a West Village location?

17 A. I recall preparing for it.

18 Q. Let's jump out of that and take a look at the bottom part.

19 Janine Just writes, "Hi, Zoe. I went down to see the space
20 yesterday and spoke to Jason who mentioned that permitting may
21 not be done in time in regards to the outdoor cafe to host the
22 June 29th event. I will let Jason clarify a bit more since I
23 know he was dealing with the community board on a few issues.
24 Just want to make sure everything is in order before we started
25 inviting people over to the space."

J667MO03

Rivera - Direct

1 Can we go up to the next one. Janine Just then says,
2 "Hi Jason. Just confirming that we are good to go to have the
3 event on June 29. Will we be OK to serve wine? Let me know
4 when you have a moment so Franklin and I can put a strategy
5 together for the event."

6 And then project manager, that's you, responds, "Hi,
7 Janine. I wasn't a part of the conversation after what we
8 discussed. Can someone answer Janine please."

9 Now, you mentioned Zoe Miller was the cofounder of Bar
10 Works. Did you understand her to have any particular
11 relationship with anybody else who worked under the Bar Works
12 umbrella?

13 A. Affirmative.

14 Q. And who did you understand her to have a relationship with
15 and what was the relationship?

16 A. The wife of Renwick Haddow.

17 Q. Now, was there a point at which your employment at Bar
18 Works came to an end?

19 A. Affirmative.

20 Q. What led to that?

21 A. I was given an ultimatum to apologize to Zoe or part ways.

22 THE COURT: For what?

23 THE WITNESS: For --

24 MR. BELL: I think Judge Berman was asking you what
25 you just said.

J667MO03

Rivera - Direct

1 THE COURT: Yes, I didn't hear.

2 THE WITNESS: Sorry. You want me to repeat?

3 (Record read)

4 Q. Now, who gave you that ultimatum?

5 A. Renwick Haddow.

6 Q. And what led to that ultimatum?

7 A. An altercation Zoe and I had.

8 Q. And what happened in response to that ultimatum?

9 A. She was disrespectful to my then assistant project manager.

10 Q. And when Mr. Haddow gave you the ultimatum, what did you
11 do?

12 A. I parted ways.

13 THE COURT: You what?

14 THE WITNESS: Parted ways.

15 Q. Now, after you were let go from Bar Works, did you ever
16 contact Mr. Haddow again?

17 A. Affirmative.

18 Q. Approximately when?

19 A. Approximately maybe the end of last year or earlier this
20 year.

21 Q. And under what circumstances did you contact Mr. Haddow?

22 A. I wrote him a letter.

23 Q. Why did you write him a letter?

24 A. To reach out. I've thought about this. I guess to let him
25 know although he has done some shitty things, I didn't think of

J667MO03

Rivera - Direct

1 him to be a shitty person.

2 Q. Now when you say you wrote him a letter, where did you
3 understand Mr. Haddow to be at the time?

4 A. Incarcerated.

5 Q. And what was the substance of the letter that you sent to
6 him?

7 A. To let him know if he needed anything, I understand his
8 situation, I have been where he was, and to let me know.

9 Q. And have you contacted him more recently?

10 A. I believe --

11 MR. GARVIN: Your Honor, may I respectfully request a
12 sidebar for one moment?

13 (Continued on next page)

14

15

16

17

18

19

20

21

22

23

24

25

J66VM004

Rivera - direct

1 (At sidebar)

2 MR. GARVIN: Your Honor, we had previously discussed
3 this gentleman had a record and we were going to try to avoid
4 just talking about it. I just heard him mention it. And then
5 I was concerned that this is going to go into discussions,
6 personal discussion between him and Mr. Haddow in 2018, 2019
7 that are not relevant to what is going on here.

8 MR. BELL: So this is relatively easily addressed.

9 THE COURT: Counsel is correct.

10 MR. BELL: Not quite.

11 I was just raising this only because -- I was raising
12 this because of the fact that Mr. Rivera had reached out to
13 Mr. Haddow and it potentially goes to bias --

14 THE COURT: Goes to?

15 MR. BELL: Goes to bias. And I'd rather they hear it
16 from us. But we are not intending to go any deeper into the
17 conversations. And if Mr. Garvin is not intending --

18 MR. GARVIN: I will not.

19 MR. BELL: Then we are not going to touch it anymore.

20 THE COURT: Is that okay?

21 MR. GARVIN: Yes.

22 MR. BELL: Great.

23 (Continued on next page)

J66VMOO4

1 (In open court)

2 BY MR. BELL:

3 Q. Just finally, Mr. Rivera, you dealt with Mr. Moore through
4 email a number of times over the course of your work, but you
5 never actually interacted with him in person; is that correct?

6 A. Affirmative.

7 MR. BELL: I have no further questions for you.

8 Thank you very much, Mr. Rivera.

9 THE COURT: Thank you.

10 Counsel, do you have any?

11 MR. GARVIN: I have no questions, your Honor.

12 THE COURT: Okay. We'll excuse Mr. Rivera.

13 Thank you very much.

14 (Witness excused)

15 MR. BELL: Your Honor, we'll call our next witness in
16 just a moment, but I would like to read a couple of
17 stipulations in, if I can.

18 THE COURT: Okay.

19 MR. BELL: The government is going to offer Government
20 Exhibit 1253, which has been so marked for identification and
21 it's on the screen right now.

22 It is stipulated and agreed between the parties that,
23 if called as a witness, a qualified and knowledgeable witness
24 would testify as follows:

25 First, that Government Exhibit 811 is a true and

J66VMOO4

1 correct video recording of an interview Moore gave to law
2 enforcement after he was arrested by federal law enforcement
3 authorities on or about February 15th, 2007; Government
4 Exhibits 811-A through 811-F are clips of Government Exhibit
5 811, that is to say that interview with law enforcement.

6 Further, on or about February 5th, 2018, James Moore
7 pled guilty in the United States District Court for the Middle
8 District of Florida, Orlando Division, to one violation of
9 Title 18 of the United States Code, Section 4, which makes it a
10 crime to conceal and fail to report to authorities, a crime
11 cognizable by a court of the United States.

12 Further, Government Exhibit 812 is a true and correct
13 copy of the superseding information containing the charge
14 against Moore in the plea proceeding referenced in paragraph
15 1(a).

16 Government Exhibit 813-A is a true and correct copy of
17 the excerpts in the plea agreement between Mr. Moore and the
18 United States Attorney's Office for the Middle District of
19 Florida in connection with the plea proceeding referenced in
20 paragraph 1(a).

21 Government Exhibit 815 is a true and correct copy of
22 excerpts of the transcript of the plea proceeding.

23 And so, your Honor, the government offers the
24 stipulation, 1253, and the exhibits referenced therein, the
25 811s, 812, 813-A, and 815.

J66VMOO4

1 MR. GARVIN: Your Honor, just for the record, this is
2 as a result of the Court's rulings on the motions *in limine*
3 which --

4 THE COURT: You're not objecting to this coming in?

5 MR. GARVIN: That's correct.

6 THE COURT: So I'll allow it.

7 (Government's Exhibits 811, 811-A through 811-F, 812,
8 813-A, 815, 1253 received in evidence)

9 MR. BELL: Thank you, your Honor.

10 I'll also read in 1258 right now.

11 1258 is a stipulation that Mr. Cooney is about to put
12 up on the screen.

13 It's stipulated between the parties that Government
14 Exhibit 806 is a true and accurate audio recording of a
15 voluntary interview conducted by attorneys with the Securities
16 and Exchange Commission, or SEC, of James Moore, the defendant,
17 on August 11, 2016. The interview was conducted over the
18 telephone, and Moore was represented by counsel during the
19 interview.

20 Further, Government Exhibits 806-A through 806-Q are
21 clipped portions of the audio of Government Exhibit 806.

22 Government Exhibit 807 is a true and accurate
23 transcript of that audio, the August 11th, 2016 interview of
24 James Moore by the SEC.

25 So, your Honor, the government offers this

J66VMOO4

1 stipulation, which is 1258, 806, 806-A through 806-Q, and 807.

2 MR. GARVIN: Same position, your Honor. Thank you.

3 THE COURT: Okay. I'll allow it.

4 (Government's Exhibits 806, 806-A through 806-Q, 807,
5 1258 received in evidence)

6 MR. BELL: Finally, the government offers -- is going
7 to offer Government Exhibit 1259. That's a stipulation
8 regarding certain prior acts. And it's stipulated and agreed
9 between the parties that, if called as a witness, a qualified
10 and knowledgeable witness would testify as follows:

11 Government Exhibit 808 is a true and correct copy of a
12 set of promotional materials for a property investment business
13 called Inside Track, including a letter from James Moore,
14 generated in or around 2004.

15 Government Exhibit 810 is an excerpt of a promotional
16 video regarding a property called Lake Austin Reserve that was
17 distributed to investors in IAP Global in or around July 2009.

18 Government Exhibit 809 is a cover letter that was
19 distributed with Government 810, signed by James Moore.

20 And it is stipulated and agreed that those exhibits
21 and this stipulation are admissible. Accordingly, we offer
22 808, 810 -- please go back, Mr. Cooney -- and 809, along with
23 the stipulation, 1259.

24 MR. GARVIN: Same grounds, your Honor.

25 THE COURT: I'll allow it.

J66VM004

Haque - direct

(Government's Exhibits 808, 809, 810, 1259 received in evidence)

MR. BELL: Thank you. One moment please.

(Counsel conferred)

MR. VAINBERG: Your Honor, at this time the government calls Special Agent Farima Haque of the FBI.

FATIMA HAQUE,

called as a witness by the Government,

having been duly sworn, testified as follows:

10 THE COURT: Go ahead, counsel.

11 DIRECT EXAMINATION

12 BY MR. VAINBERG:

13 Q. Good afternoon.

14 A. Afternoon.

15 Q. Where do you work, Agent Haque?

16 A. The Federal Bureau of Investigation.

17 Q. How long have you been with the FBI?

18 A. Four and-a-half years.

19 Q. What's your title there?

20 A. Special agent.

21 Q. What are your

agent?

24 ||| prosecution of cases.

25 Q. Do you have any experience with investigations and

J66VM004

Haque - direct

1 prosecutions involving investment fraud?

2 A. Yes.

3 Q. Do you have any experience in locating and reviewing
4 evidence associated with those investigations?

5 A. Yes.

6 Q. Did you have occasion to review evidence in connection with
7 the investigation and prosecution of the defendant, James
8 Moore?

9 A. Yes.

10 Q. What kind of evidence did you review?

11 A. I reviewed press releases and documents related to Renwick
12 Haddow, documents related to James Moore's businesses and a
13 development project in Florida, documents related to James
14 Moore's convictions as part of the development project in
15 Florida, and a recording of James Moore's interview with the
16 SEC.

17 Q. Special Agent Haque, you mentioned that you had reviewed
18 materials relating to Renwick Haddow. What, if anything, did
19 you do to determine the accessibility of those materials to the
20 public?

21 A. I conducted research to make sure that they were present
22 and easily accessible on the Internet.

23 MR. VAINBERG: At this point, the government moves
24 into evidence Government Exhibit 800, which is a press release
25 authenticated in Government Exhibit 1257, a stipulation, but

J66VM004

Haque - direct

1 has not yet been moved into evidence.

2 THE COURT: I'll allow it.

3 (Government's Exhibit 800 received in evidence)

4 Q. Special Agent Haque, do you recognize Government Exhibit
5 800?

6 A. Yes.

7 Q. What is it?

8 A. It is a press release.

9 Q. Who is this press release published by?

10 A. Wired Gov.

11 Q. And could you read the heading on the press release?

12 A. "Second Director Disqualified in Branded Leisure PLC."

13 Q. And right next to that, do you see an annotation that says
14 "The Insolvency Service"?

15 A. Yes.

16 Q. What is that?

17 A. The Insolvency Service is a UK government entity that looks
18 into potential business corporate fraud.

19 Q. Where was this news release published?

20 A. On The Insolvency Service website.

21 Q. Does this press release mention Renwick Haddow by name?

22 A. Yes.

23 Q. Is that what we see being highlighted in the first
24 paragraph?

25 A. Yes.

J66VM004

Haque - direct

1 Q. Is this article still present on the Internet?

2 A. Yes.

3 Q. Could you tell us approximately when it was published for
4 the first time?

5 A. December 10th, 2008.

6 MR. VAINBERG: Let's bring up Government Exhibit 143
7 in evidence. And let's look on the bottom of this email chain
8 please, on page 2.

9 Q. Have you seen this exhibit before, Agent Haque?

10 A. Yes.

11 Q. I'm directing your attention to an email on March 20th,
12 2016, from anakp2014@gmail.com that reads: See, you're still
13 getting plenty of air play from these guys. Seemingly, this
14 was just last Friday. And there's a link below that. Do you
15 see that?

16 A. Yes.

17 Q. Have you located what, if anything, that link pointed to?

18 A. Yes.

19 Q. And what was that?

20 A. A press release published on the FCA website.

21 Q. Were you able to identify what that website looked like at
22 or near the time of this email?

23 A. Yes.

24 Q. How did you do that?

25 A. Through a website called The Wayback Machine.

J66VMOO4

Haque - direct

1 THE COURT: The Wayback --

2 THE WITNESS: Yes.

3 THE COURT: -- did you say?

4 Q. And what's The Wayback Machine?

5 A. The Wayback Machine is a website that captures images from
6 a website at a given date or time in the past.

7 THE COURT: Do I understand, so if that website is not
8 up today, the Wayback Machine can find it?

9 THE WITNESS: Potentially, yes, if it happened to
10 capture it. It doesn't capture every day.

11 THE COURT: I got it.

12 Q. Does the Wayback Machine website show the date on which it
13 captured any particular website?

14 A. Yes.

15 MR. VAINBERG: Let's pull up Government Exhibit 805,
16 Mr. Cooney, in evidence.

17 Q. Did you compare the information you saw on The Wayback
18 Machine website with respect to that link with Government
19 Exhibit 805?

20 A. Yes.

21 Q. And how do they compare?

22 A. They were the same.

23 Q. This is what you saw on The Wayback Machine, other than the
24 government exhibit sticker?

25 A. Yes.

J66VM004

Haque - direct

1 MR. VAINBERG: Just so we can understand, could we
2 zoom in on the bar at the top.

3 Q. What's your understanding of what this bar means on The
4 Wayback Machine's website?

5 A. It means that The Wayback Machine captured the link that's
6 listed there on March 21st, 2016.

7 Q. So if that website was updated or changed or taken down
8 after March 21st, 2016, would this still show you what it
9 looked like on that date?

10 A. Yes.

11 THE COURT: Is this a tool of the FBI or it's a tool
12 of the Internet that anybody can access?

13 THE WITNESS: Anyone can access it.

14 Q. All right. And now, let's just focus on that date for a
15 moment. Can you tell us what date this website was saved?

16 A. March 21, 2016.

17 Q. And going back to Government Exhibit 143, is that the next
18 day after the email we were just looking at?

19 A. Yes.

20 MR. VAINBERG: So let's pull back up on 805 please.

21 Q. Could you read the title of this FCA website release
22 please.

23 A. "FCA Continues Action Against Capital Alternatives."

24 Q. And if we go down, do you see where it says "the court
25 hearings"?

J66VM004

Haque - direct

1 A. Yes.

2 Q. Could you please read what the website said there?

3 A. The High Court decided in February 2014 that the above
4 schemes were collective investment schemes which could not be
5 lawfully operated by the defendants. Some of the defendants
6 appealed, and in March 2015 the Court of Appeal rejected the
7 appeal and also found that the schemes were collective
8 investment schemes. On 28 July 2015, the Supreme Court refused
9 to give the defendants permission to make a further appeal.

10 Q. And if we keep on going, do you see a portion that says
11 "what happens next"?

12 A. Yes.

13 Q. Could you read just the first sentence under that portion.

14 A. The FCA is now proceeding to deal with remaining aspects of
15 the case back in the High Court, including the issue of
16 misleading statements which the FCA alleges were made to
17 investors in relation to these schemes.

18 Q. Thank you, Agent Haque.

19 Did this press release from the FCA identify Renwick
20 Haddow by name?

21 A. Yes.

22 Q. And if we go to the next page, will you point us to where
23 Mr. Haddow is identified?

24 A. In the list under where it says, "We can confirm that the
25 defendants in these proceedings are," and Mr. Haddow is listed,

J66VM004

Haque - direct

1 No. 7.

2 Q. All right. Let's go back to Government Exhibit 143, the
3 email from anakp with that link. And let's just go to the top
4 of this email chain on the first page, to the portion that
5 says, "A few important points."

6 Could you read what this says in the email from
7 anakp2014.

8 A. "A few important points. Great lawyers, good barrister,
9 massive distance to special place (hard to get back)."

10 Q. Special Agent Haque, as part of your work with the FBI, do
11 you have experience with extraditions?

12 A. Yes.

13 Q. Based on your experience with extraditions, is it harder or
14 easier to extradite someone from a country that does not have
15 an extradition treaty with the United States?

16 A. It's harder.

17 Q. Do you know where Renwick Haddow was arrested in connection
18 with this case?

19 A. Morocco.

20 Q. And does Morocco have an extradition treaty with the United
21 States?

22 A. They do not.

23 MR. VAINBERG: All right.

24 You can take that down please.

25 Q. Agent Haque, you also mentioned that in preparing to

J66VM004

Haque - direct

1 testify here today, you looked at some promotional materials
2 related to businesses operated by James Moore; is that correct?

3 A. Yes.

4 Q. And what companies' materials did you review?

5 A. Inside Track Seminars and Instant Access Properties.

6 Q. And what did you review specifically?

7 A. I reviewed a brochure for Inside Track Seminars, a letter
8 from James Moore to investors for Instant Access Properties,
9 and a deed recording that was mentioned in the letter from
10 James Moore.

11 Q. Do all three of those documents contain statements
12 allegedly made by James Moore about what his companies were
13 doing at that time?

14 A. Yes.

15 MR. VAINBERG: Could we pull up Government Exhibit
16 808.

17 Q. Agent Haque, is this one of the documents that you
18 reviewed?

19 A. Yes.

20 Q. What is it?

21 A. It's a brochure for Inside Track Seminars.

22 Q. And based on the footnote on page 2, in approximately what
23 time period was this brochure published?

24 A. Between autumn 2004 and summer 2005.

25 Q. Let's go to page 2.

J66VM004

Haque - direct

1 Do you see a letter that says "Message from the
2 Chairman"?

3 A. Yes.

4 Q. And who is it signed by?

5 A. Jim Moore.

6 Q. And what is Jim Moore's position as stated in this letter?

7 A. Chairman.

8 Q. Could you read the first three paragraphs please.

9 A. Dear delegate, we are delighted to welcome you to the
10 Inside Track family and look forward to your participation in
11 our two-day property seminar. This is designed to give you a
12 thorough insight into the property investment business and how
13 we can help you profit from it.

14 As the UK's leading property investment company, our
15 members have enjoyed paper profits of more than 80 million
16 pounds. This figure represents a total value secured by our
17 members on purchases of top quality investment properties,
18 sourced entirely by the company.

19 We now want to share this success with you. And with
20 this in mind and drawing from my personal experiences in
21 property investment, my colleagues and I have created
22 educational seminars in varying levels of investment
23 memberships that are suited to everyone. From the novice
24 looking to buy their first investment, to the hardened expert
25 who knows what they want, but doesn't have the time to find it.

J66VM004

Haque - direct

1 Q. Thank you.

2 MR. VAINBERG: Could we go to the next page of this
3 brochure.

4 Q. And could you please read the paragraph above "We will help
5 you."

6 A. From sourcing properties which offer significant growth
7 potential to securing finance and giving advice on attracting
8 quality tenants, Inside Track will provide you with the
9 education and the opportunity to build significant wealth
10 through property investment.

11 Q. And do you see bullet points below that right there?

12 A. Yes.

13 Q. Could you read the first four bullet points.

14 A. We will help you develop clear and achievable property
15 investment objectives; build the knowledge and skills to think
16 and act like a property professional; establish lucrative
17 contacts with a network of mortgage brokers, tax experts, and
18 solicitors; and get substantial discounts on new-build
19 properties.

20 MR. VAINBERG: And if we could now move to page 5 of
21 this brochure.

22 Q. Could you read the first sentence and the four bullet
23 points below that.

24 A. Inside Track's track record is built on the success of our
25 members. We are the largest and most successful property

J66VM004

Haque - direct

1 investment company in the UK. Each year we educate up to 7500
2 people at our weekly seminars. Over 4500 members have bought
3 in excess of one billion pounds worth of UK and international
4 properties. These members have made more than 80 million
5 pounds in equity from property deals through Inside Track.

6 MR. VAINBERG: And now let's just go to page 10.

7 Q. And could you read the large text on the right?

8 A. Our international developments are thoroughly researched
9 and investigated for long-term growth and profit potential.

10 Q. And could you read the second paragraph here please.

11 A. However, as with many of our members, you may be thinking
12 about expanding your portfolio internationally where the
13 benefits are just as advantageous. Like in the UK, our
14 international developments are thoroughly researched and
15 investigated for long-term growth and profit potential.

16 Currently, our overseas developments are focused on
17 Spain, the U.S. (Florida) and Portugal, all of which are
18 markets which have had and are continuing to have extensive
19 growth in the property sector.

20 Q. Thank you, Agent Haque.

21 MR. VAINBERG: We can take down this Inside Track
22 brochure.

23 Can we pull up Government Exhibit 809.

24 Q. What is this, Agent Haque?

25 A. This is a letter from Jim Moore to investors.

J66VM004

Haque - direct

1 Q. When is this letter dated?

2 A. July 1st, 2009.

3 Q. And I think you mentioned it, but who is it signed by?

4 A. Jim Moore.

5 Q. Could you read the first four paragraphs of this letter
6 from Jim Moore.

7 THE COURT: Could you go up there and tell us what
8 it's about? The re.

9 THE WITNESS: Lake Austin Reserve.

10 Q. Agent Haque, just before you read that, do you have an
11 understanding of what Lake Austin Reserve is on a general
12 level?

13 A. A development project in Florida.

14 Q. Could you read the next four paragraphs please.

15 A. The attached information was sent to the first set of
16 completions on Grande Palisades on 26th June. We are sending
17 you a copy for information only and as a result of you paying
18 the sales progression fee.

19 The world is a very different place from when we all
20 originally invested in Florida, and many of you have naturally
21 expressed your concerns, both directly to me at the events that
22 I have personally presented at and by talking to my staff. I
23 heeded these concerns and put Florida top of my lift for
24 attention.

25 Subsequently, over the last six months, both Tony

J66VM004

Haque - direct

1 McKay and I have spent many weeks in Florida with one aim: To
2 make a number of dramatic changes and do all we possibly could
3 to actively protect and nurture our respective investments in
4 Lake Austin Reserve and Grande Palisades in particular. These
5 activities have included ensuring the resort is completed,
6 liaising with all the stakeholders from the banks through to
7 the construction company and all suppliers of services to the
8 resort. None of this has been easy.

9 The culmination of all this effort is the production
10 of the enclosed DVD. It shows where we have got to and
11 introduces the experienced team which we have recruited to help
12 achieve our objectives.

13 Q. Special Agent Haque, did you review the DVD that's
14 referenced in this letter from Jim Moore to investors in Lake
15 Austin Reserve?

16 A. Yes.

17 Q. And did you review excerpts of that video to confirm that
18 they were a portion of the fuller video?

19 A. Yes.

20 MR. VAINBERG: At this point, your Honor, the
21 government would like to play Government Exhibit 810, which is
22 an approximately minute and 20-second excerpt of the larger
23 video.

24 THE COURT: Okay. If I could just see you all for a
25 minute.

J66VM004

Haque - direct

1 (At sidebar)

2 THE COURT: I'm just trying to figure out time-wise
3 how much more time do you need with this witness?

4 MR. VAINBERG: The plan with this witness is to play
5 the short video. After that, there's about ten minutes of
6 testimony, and then we have the SEC audio, which is about 40
7 minutes.

8 THE COURT: I think we'll take a break here then.
9 We'll take a lunch break now.

10 MR. BELL: The other option, Judge, would be to finish
11 with this witness in ten minutes, take a break, then come back
12 and just the witness list with the rest of the AV.

13 THE COURT: No, we'll take a break then.
14 MR. GARVIN: Your Honor, may I ask something before we
15 walk away?

16 Do you have a rough idea how much longer the
17 government's case will be? Because I have two witnesses just
18 sitting, and I don't mind telling them first thing tomorrow
19 morning, but I don't --

20 THE COURT: I think this afternoon.

21 MR. GARVIN: I don't want to slow anything down.

22 MR. BELL: We're going to be done within an hour of
23 when we get back.

24 MR. GARVIN: Okay. So if --

25 THE COURT: This afternoon?

J66VM004

Haque - direct

1 MR. BELL: This afternoon.

2 MR. GARVIN: If we get back at what time, sir?

3 THE COURT: An hour from now.

4 MR. GARVIN: I'm sorry, without my glasses I'm blind.

5 MR. BELL: It's a quarter of one.

6 (In open court)

7 THE COURT: So we'll take a lunch break now. It's a
8 quarter to one. And I'll ask you to be back here at quarter to
9 two. You can use the cafeteria, sure, on the 8th floor.

10 JUROR: Thank you.

11 (Jurors not present)

12 (Luncheon recess)

13 (Continued on next page)

14

15

16

17

18

19

20

21

22

23

24

25

J667MO05

1 AFTERNOON SESSION

2 1:45 p.m.

3 (Jury not present)

4 (At the sidebar)

5 THE COURT: So, there are two issues that I've been
6 discussing with counsel and wish to put on the record. The
7 first is that during the course of Mr. Haddow's
8 cross-examination he answered a question, and in that answer he
9 indicated that Our Space was a fraudulent endeavor. Mr. Garvin
10 objected. I overruled the objection, but I think that Mr.
11 Garvin was correct, and so I'd ask counsel to see if they can
12 come up with a way to correct that ruling.

13 Number two, a juror has indicated that her son is
14 graduating from high school tomorrow. She lives in
15 Westchester, and I guess she was asking if she can be excused.

16 So, I've asked counsel to think about that as well,
17 how do we deal with that.

18 OK? Thanks.

19 MR. BELL: Thanks, Judge.

20 MR. GARVIN: Thank you, Judge.

21 (In open court)

22 THE COURT: Counsel, we're going to continue with the
23 trial, so you should tell me whenever you can.

24 MR. GARVIN: Your Honor, may we give you an answer to
25 one of your two questions?

J667MO05

1 THE COURT: Sure.

2 MR. BELL: We're happy to let the one juror go and
3 seat I guess it would be alternate 1.

4 THE COURT: OK. Well, we never designated as
5 alternates, but that's you're agreement too?

6 MR. GARVIN: Yes.

7 THE COURT: OK. All right.

8 MR. BELL: Your Honor, we have an answer to your other
9 question as well.

10 (At the side bar)

11 MR. BELL: Your Honor, we have conferred with Mr.
12 Garvin, and we've got a joint proposal for language to address
13 Mr. Haddow's remark earlier, which we will hand to you now.

14 MR. VAINBERG: Just to read it into the record,
15 "Earlier today you heard Renwick Haddow offered an offhand
16 characterization of Our Space, one of the defendant James
17 Moore's business ventures. You should ignore that
18 characterization. The legality of Our Space is not at issue in
19 this trial, as the government has made no allegations regarding
20 Our Space. You should therefore put that particular remark out
21 of your mind."

22 THE COURT: OK. Do you want me to say that to the
23 jury?

24 MR. GARVIN: Yes, your Honor. And with regard to the
25 juror, the defense's position is that since one juror has to go

J667MO05

1 to a high school graduation, that she be excused. It is our
2 understanding that the next juror in line was Juror 29, Ian
3 McBride, and we would like to confirm that.

4 THE COURT: I don't understand. You want to know who
5 the new 12 is?

6 MR. GARVIN: Yes, because my list was the next one as
7 Mr. Ian McBride.

8 THE COURT: Yes, that's correct.

9 MR. GARVIN: Thank you, your Honor.

10 MR. VAINBERG: Part of Agent Haque's testimony will
11 involve the conviction of Mr. Moore on the other offense at
12 issue. We would suggest that it might be an appropriate time
13 for the Court to give a limiting instruction that the jurors
14 should consider that evidence for knowledge, intent or absence
15 of mistake.

16 THE COURT: Write it out.

17 MR. BELL: We will write something out right now,
18 Judge.

19 THE COURT: Is that coming up soon?

20 MR. VAINBERG: Yes, very soon.

21 THE COURT: So work on that.

22 Show it to Mr. Garvin. It can't be that complicated.
23 Do you want me to do it?

24 MR. GARVIN: This is fine.

25 THE COURT: I'm marking these each as stipulations for

J667MO05

1 the record of the parties.

2 MR. GARVIN: Yes, sir.

3 THE COURT: Bring in the jury, Christine.

4 (Continued on next page)

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

J667MO05

Haque - Cross

1 (In open court)

2 (Jury present)

3 THE COURT: Please be seated, and we will continue
4 with the direct examination of Agent Haque.

5 DEPUTY COURT CLERK: Before we begin, I would like to
6 remind you you are still under oath.

7 FATIMA HAQUE, resumed.

8 DIRECT EXAMINATION (Continued)

9 BY MR. VAINBERG:

10 Q. Agent Haque, when we broke for lunch you were testifying
11 about this letter from Jim Moore to investors in Lake Austin
12 Reserve dated July 1, 2009.

13 A. Yes.

14 Q. And previously you had testified that you had reviewed
15 court records relating to a conviction of James Moore; is that
16 right?

17 A. Yes.

18 Q. Was that conviction related to Lake Austin Reserve and the
19 condominium project therein?

20 A. Yes.

21 Q. Now, could you please read the last two paragraphs of this
22 letter.

23 A. "The joining together of Lake Austin Reserve with David
24 Lloyd is, I believe, a real coup. He is just the right
25 entrepreneur to help us establish an international approach and

J667MO05

Haque - Cross

1 focus for delivering the required occupancy and rental rates
2 for our investors. His reputation for helping to establish
3 quality international leisure brands is second to none, and we
4 look forward to working alongside him to ensure we deliver not
5 only on this return on investment but establish a world class
6 resort of choice for holiday makers the world over.

7 "I hope you are reassured by the DVD and enclosed
8 information, and I honestly believe that the unusual yet
9 courageous changes we've made" -- "with the unusual yet
10 creative changes we have made this investment can still be a
11 winner for us all."

12 Q. I believe you had testified that you had reviewed the DVD
13 that's mention the in this letter.

14 A. Yes.

15 MR. VAINBERG: Could we play Government Exhibit 810 in
16 evidence?

17 THE COURT: Sure.

18 (Video played)

19 Q. We can take that down.

20 Your Honor now might be a good time for the
21 instruction the parties stipulated to.

22 THE COURT: So, the parties have agreed as follows:
23 You will be hearing in a moment or two evidence that Mr. Moore
24 was previously convicted of a felony. I am instructing you
25 that you may use that evidence with respect to Mr. Moore's

J667MO05

Haque - Cross

knowledge, intent, absence of a mistake, or that it was part of a common scheme or plan as the conduct alleged in this case. You may not simply consider this evidence as a substitute for proof that Mr. Moore committed any of the crimes charged in this indictment or simply assume that because Mr. Moore committed a past offense he has a propensity to commit crime and thus committed the offense here.

I will have this typed up for you in case you want to read it in the jury room.

Q. Prior to testifying today, have you reviewed certain court records related to a case called United States of America v. James Moore, 17 Cr. 187 in the Middle District of Florida?

A. Yes.

Q. Who is the defendant in this case?

A. James Moore.

Q. Is that the same James Moore that's in the courtroom here today?

A. Yes.

Q. Was James Moore charged in a superseding information in that case?

A. Yes.

Q. And let's project Government Exhibit 812 previously in evidence. We seem to be having some technical difficulties.

Did the superseding information charge James Moore with a crime known as misprision of a felony?

J667MO05

Haque - Cross

1 A. Yes.

2 Q. And how did James Moore plead to that crime?

3 A. Guilty.

4 Q. Did he plead pursuant to a plea agreement?

5 A. Yes.

6 Q. And let's put up Government Exhibit 813A, please.

7 Is this the plea agreement that James Moore pleaded
8 guilty pursuant to?

9 A. Yes.

10 Q. And does this document as we scroll through it contain
11 excerpts from that agreement?

12 A. Yes.

13 Q. If we go to the first page, please. Who is this agreement
14 between?

15 A. United States of America and James Moore.

16 Q. And if we go to page 11, what is this agreement dated?

17 A. February 2, 2018.

18 Q. And on page 12 who is it signed by?

19 A. James Moore, Scott Rask, David Garvin and Deborah Barnett.

20 Q. Let's go back to page 1, please. Do you see the portion of
21 this agreement with the heading "count pleading to"?

22 A. Yes.

23 Q. Can you read that, please.

24 A. "The defendant shall enter a plea of guilty to Count One of
25 the information. Count One charges the defendant with

J667MO05

Haque - Cross

1 misprision of a felony, in violation of 18 U.S.C. 4."

2 Q. And if we could go to page 2. Do you see the heading
3 "Elements of the offense"?

4 A. Yes.

5 Q. Could you read this section, please.

6 A. "The defendant acknowledges understanding the nature and
7 elements of the offense with which defendant has been charged
8 and to which defendant is pleading guilty. The elements of
9 Count One are: First, a federal felony was committed, as
10 charged in Count One of the information; second, the defendant
11 had knowledge of the commission of that felony; third, the
12 defendant failed to notify an authority as soon as possible.
13 An authority includes a federal judge or some other federal
14 civil or military authority, such as a federal grand jury,
15 Secret Service or F.B.I. agent; and, fourth, the defendant took
16 steps to conceal the crime."

17 Q. Did the defendant, in addition to signing this agreement,
18 initial pages in the plea agreement?

19 A. Yes.

20 Q. And is that what we see on the bottom here?

21 A. Yes.

22 Q. If we could go to page 11, please. And let's go to the
23 next page after that. Actually, I'm sorry, let's stay on page
24 11.

25 Do you see the heading, 11, factual basis.

J667MO05

Haque - Cross

1 A. Yes.

2 Q. Could you please read that.

3 A. "Defendant is pleading guilty because defendant is in fact
4 guilty. The defendant certifies that defendant does hereby
5 admit that the facts set forth in attached 'factual basis'
6 which is incorporated herein by reference, are true, and were
7 this case to go to trial, the United States would be able to
8 prove those specific facts and others beyond a reasonable
9 doubt."

10 Q. And did this plea agreement include a section called
11 factual basis?

12 A. Yes.

13 Q. Let's go to that section on page 14. Is this the factual
14 basis section?

15 A. Yes.

16 Q. OK. Can we go through this factual basis section from page
17 14 down to where it ends, just to see how many pages it is.
18 And how many pages is it?

19 A. Pages 14 to 17.

20 Q. Going down to the end of page 17. Is this factual
21 statement initialed by Jim Moore on each page?

22 A. Yes.

23 Q. And now if we just blow up the last two paragraphs
24 beginning on page 16 and going down to page 17. Could you
25 read -- could you read this paragraph first and then we will

J667MO05

Haque - Cross

1 move down.

2 THE COURT: I'm sorry. You're on 16?

3 MR. VAINBERG: We're on the full paragraph beginning
4 on page 16 going down to page 17.

5 THE COURT: OK.

6 A. "During the fall of 2009 Mr. Moore met with Paul Oxley at
7 the Maesbury Homes offices. At that time Paul Oxley requested
8 Mr. Moore to execute a document Oxley had prepared on behalf of
9 Darrencrest. The document stated that Darrencrest agreed to
10 return any and all commissions it had been paid by Paul Oxley
11 on behalf of Lake Austin Properties. Mr. Moore questioned what
12 the document was about. Paul Oxley informed Mr. Moore that if
13 he did not sign the document he, Paul Oxley, would be likely
14 headed to jail. Mr. Moore declined to sign the document. Paul
15 Oxley insisted and stated that he had illegally used deposit
16 money that should have been held in escrow to pay virtually all
17 of the commissions earned by Darrencrest. Mr. Moore then
18 realized what Paul Oxley had done in connection with the
19 financing for the development. Mr. Moore declined to help Paul
20 Oxley."

21 Q. And could you read the next paragraph, please.

22 A. "In early 2009, Mr. Moore agreed to make a promotional
23 video for Grand Palisades, which was designed to encourage
24 investors/condominium purchasers to go through with their
25 closing. Shortly thereof, in late 2009, early 2010, Mr. Moore

J667MO05

Haque - Cross

1 learned that Florida law prohibited developers from using any
2 portion of a deposit for the purchase of a condominium to be
3 paid for marketing or selling expenses. Mr. Moore knew that a
4 crime had been committed by Paul Oxley. However, Mr. Moore did
5 not report the crime to law enforcement. Instead, Mr. Moore
6 permitted the crime to remain concealed."

7 Q. After signing this plea agreement, did James Moore plead
8 guilty before a judge?

9 A. Yes.

10 Q. And did that guilty plea take place in or around February
11 of 2018?

12 A. Yes.

13 Q. Now, at the time of his arrest for that crime, was James
14 Moore interviewed by law enforcement agents?

15 A. Yes.

16 Q. When was he interviewed?

17 A. February 15, 2017.

18 Q. Is that about a year before the guilty plea?

19 A. Yes.

20 Q. Was the interview recorded?

21 A. Yes.

22 Q. And as part of the interview, did the defendant make
23 statements about his real estate and seminar business and about
24 Bar Works?

25 A. Yes.

J667MO05

Haque - Cross

1 MR. VAINBERG: Let's play clip Government Exhibit 811A
2 along with the corresponding transcript. I don't believe there
3 is a corresponding transcript, is there? OK.

4 (Video played)

5 Q. As part of the interview did the defendant make statements
6 about Bar Works?

7 A. Yes.

8 Q. Let's play Government Exhibit 811F and the corresponding
9 transcript.

10 (Video played)

11 MR. VAINBERG: At this time the government has no
12 further questions for Agent Haque.

13 THE COURT: So, is the government resting?

14 MR. BELL: No, the government still has some
15 multi-media to play before resting.

16 THE COURT: Counsel, do you have any
17 cross-examination?

18 MR. GARVIN: Your Honor, I only would like to revisit
19 Government Exhibit 813A, I think it's pages 15 through 17,
20 which is the factual basis that was read. Perhaps if the
21 government could be kind enough to put that back on the screen.
22 Thank you very much.

23 CROSS EXAMINATION

24 BY MR. GARVIN:

25 Q. Good afternoon, ma'am.

J667MO05

Haque - Cross

1 A. Good afternoon.

2 Q. My name is David Garvin, I represent Mr. Moore in this
3 case. I'd like to go over the factual basis.

4 And if you would be kind enough, sir, could you please
5 put it on the same place that was read during direct, which I
6 think was page 17. Yes.

7 So, ma'am, did you have any independent knowledge of
8 this case other than what was found in the court records?

9 A. No.

10 Q. So, would it be fair to say that your knowledge of the
11 facts are limited to what was introduced in evidence here
12 today?

13 A. Yes.

14 Q. So where this talks about that during the fall of 2009
15 Mr. Moore met with Paul Oxley, do you see that, ma'am, on page
16 16?

17 A. Yes.

18 Q. And he has now been kind enough -- the agent has been kind
19 enough to highlight it in yellow.

20 A. Yes.

21 Q. Now, the video that we saw a very small excerpt of, that
22 video was prepared in early 2009, correct?

23 A. I'm sorry. Which video?

24 Q. Yes. There was a video clip of Mr. Moore for the Grand
25 Palisades.

J667MO05

Haque - Cross

1 A. Yes, I believe so.

2 Q. Well, let's read it together then. "During the fall of
3 2009, Mr. Moore met with Paul Oxley at Maesbury home offices.
4 At that time Paul Oxley requested Mr. Moore to execute a
5 document Oxley had prepared on behalf of Darrencrest."

6 Now, was it your understanding, ma'am, that the
7 document that Mr. Oxley was preparing was a false document, it
8 was a document that was purporting that Darrencrest was going
9 to be returning all the money that had ever been paid to it?
10 Did you understand that from reading this document?

11 A. I'm sorry. Can you repeat that second part of that?

12 Q. Yes, ma'am. It says that at the time Paul Oxley requested
13 Mr. Moore to execute a document Oxley had prepared on behalf of
14 Darrencrest. So, let me break it down so it's not confusing.
15 Paul Oxley is with Maesbury Homes, correct?

16 A. Right.

17 Q. And Darrencrest is related to Mr. Moore, correct?

18 A. Right.

19 MR. VAINBERG: The government objects. The witness
20 testified that her only knowledge is based on whatever is
21 written on this page.

22 THE COURT: Right. But go ahead, just a little bit
23 more.

24 MR. GARVIN: Thank you. I will try to keep it very
25 short.

J667MO05

Haque - Cross

1 Q. So, having said that, you had Mr. Oxley preparing a
2 document to be signed by Darrencrest.

3 MR. VAINBERG: Objection.

4 THE COURT: By Mr. Moore.

5 MR. GARVIN: By Mr. Moore, correct.

6 Q. You understood that?

7 THE COURT: She said that already.

8 Q. The document is dated -- I will skip that.

9 Mr. Moore questioned the document.

10 Could we please scroll down half a page, sir. OK.

11 Thank you so much, last paragraph.

12 The bottom paragraph says, "In early 2009" -- do you
13 see that, ma'am?

14 A. Yes.

15 Q. -- "Mr. Moore agreed to make a promotional video for Grand
16 Palisades, which was designed to encourage
17 investors/condominium purchasers to go through with their
18 closings."

19 So, the point is that that video was made before Paul
20 Oxley ever attempted to have Mr. Moore sign the false document.
21 Isn't that correct, ma'am?

22 THE COURT: If you know.

23 A. I'm not sure.

24 MR. GARVIN: I have no further questions. Thank you.

25 THE COURT: Thanks. Can we excuse the witness?

J667MO05

Haque - Cross

1 MR. VAINBERG: Yes, your Honor.

2 THE COURT: Thanks very much.

3 (Witness excused)

4 MR. VAINBERG: Your Honor, at this time the government
5 would like to play excerpts from the defendant's interview with
6 the SEC marked on Government's Exhibits 807A, 807C, 807L --
7 excuse me -- 806A, 806C, 806L, 806K, 806M and 807O, and move
8 the corresponding transcripts into evidence which are marked as
9 807A, C, L, K, M and O.

10 THE COURT: I will allow it.

11 MR. VAINBERG: A, C, I. Excuse me, your Honor.

12 (Government Exhibits 807A, 807C, 807I, 807K, 808M and
13 807O received in evidence)

14 (Audio played)

15 (Continued on next page)

16

17

18

19

20

21

22

23

24

25

J66VM006

"Moore"

1 MR. BELL: Your Honor, because of the technical
2 difficulty we're having, we're going to put the remaining two,
3 I believe it is -- just the remaining one up on the screen, and
4 I'll simply read it. It will actually make up some time.

5 Question is -- let me let you set that up.

6 "Q. What were the terms of the leases? So was there a fixed
7 cost for them and what were investors expecting in rents?

8 "A. The initial lease terms, from memory, again, they were
9 selling the lease for \$22,000 U.S., and they were expecting a
10 guaranteed amount of rent over a ten-year period.

11 "Q. Of approximately how much?

12 "A. Yeah, I'm going to say -- I'm going to say 15 percent, but
13 I would need to look.

14 "Q. Okay.

15 "A. The reason I would need to look is because we are doing
16 this kind of thing all the time ourselves with different
17 products. So for me, Bar Works is now quite -- it's not new in
18 my mind. I can't remember the exact number, but let's -- for
19 this point in time, I think 15 percent.

20 "Q. What guaranteed the percentage?

21 "A. Again, the explanation given to us was the fact that
22 the -- the logic or rationale given to us, Preethi, was that if
23 it was 100 workspaces, they will sell, as an example, 20 of
24 them to investors. And when the members come in, the first 20
25 or the first ones to be occupied will always be the workspaces

J66VM006

"Moore"

1 belonging to the investors. Therefore, Bar Works would always
2 be able to pay these returns.

3 "Q. Well, what if workers -- sorry. What if folks did not
4 come in to lease the spaces though?

5 "A. Well, I don't think that kind of speculation is for me to
6 enter into right now.

7 "Q. Okay.

8 "A. From our point of view, you know, we visited We Work in
9 London, we visited We Work in New York. When I say 'we,' I
10 did. You know, my partner visited there with me. The guys
11 from United Property did. That's clearly a successful
12 business. We went to other co-working locations. And the
13 indication from Mr. Haddow was that he was going to
14 aggressively market to members and, therefore, that wouldn't be
15 a problem.

16 And by the way, it was on West 39th Street in
17 Manhattan which in tens looked extremely busy. We went to look
18 at the site --

19 "Q. Okay.

20 "A. -- and it seemed extremely busy. So there is another
21 element to this as well, Preethi. And that is, you know, for
22 us, we would consider the United States to be the most
23 regulated place on earth. And only some kind of stark raving
24 lunatic would open his business on West 39th Street and then,
25 you know, not do what he'd said he intended to do. We assumed

J66VM006

1 that -- we assumed rightly or wrongly."

2 MR. BELL: That would conclude that clip.

3 We have one more to play.

4 (Audio played)

5 MR. BELL: With that, Judge, before the government
6 rests, we have two emails to read in. But I also wanted to
7 inquire, would this be a good time for your Honor to read the
8 additional instruction regarding Mr. Haddow's testimony earlier
9 today?

10 THE COURT: Sure. And this is another stipulation
11 between the parties. And it's as follows:

12 Earlier today, you heard Renwick Haddow offer an
13 offhand characterization of Our Space, one of the defendant
14 James Moore's business ventures. You should ignore that
15 characterization. The legality of Our Space is not at issue in
16 this trial, as the government has made no allegations regarding
17 Our Space. You should, therefore, put that particular remark
18 out of your mind.

19 Okay. We'll have this typed up too and given to you.

20 Go ahead.

21 MR. BELL: Thank you, your Honor.

22 Your Honor, at this time the government is going to
23 publish, with the Court's permission, two final emails. The
24 first of these is going to be Government Exhibit 147, 147,
25 which I'll ask Mr. Cooney to put up now.

J66VM006

1 And can we first go to the very top of the email.
2 This is an email exchange. Top email is from Renwick Haddow,
3 renwick@renwickhaddow.com, to Mr. Moore at
4 thejamesmoore@me.com. It's an exchange from March 27, 2016,
5 the subject line is "tough times."

6 Now, there is a forwarded email at the very bottom
7 that I'll ask Mr. Cooney to focus on now. It's from Mr. Moore
8 at the same email address on February 16, to
9 kathy_haddow@hotmail.com. Subject: "Tough times."

10 And I'll read the email.

11 Hello, Kathy. I hope you're well. Remember me? The
12 guy with the debts, including David Lloyd?

13 Well, this is a quick note with two intentions: One,
14 to let you know that recently I've been working with Renwick.
15 As a parent, I know how nice it is when I hear something
16 positive about my kids. I know he isn't a kid, but I just
17 wanted to say how refreshing it is to work with someone who is
18 obviously raised with similar values to me: To keep his word,
19 do what he says, and honor agreements. This obviously came
20 from whatever you instilled in him, so you did a great job. He
21 is a pleasure to work with.

22 Next. I'm on slightly better times financially. I
23 also heard that David Lloyd had moved back to UK to his old
24 house in Oxshott (I can get his address and more info, if
25 necessary). Wondered if you may still have any interest in

J66VM006

1 pursuing him. Maybe this time with the aid of a private
2 detective and lawyer, if necessary? He contributed to me being
3 made bankrupt in UK, so obviously we will need to locate that
4 agreement I signed that signed all the debt over to you, but
5 that should be easy enough.

6 Either way, I hope you're well, and to let you know
7 that your son has some attributes you can be very proud of.

8 Have a great day. Jim Moore.

9 Now, if we can go up, Mr. Moore forwards that email
10 saying: After what you said, that may explain why your mum
11 didn't reply. Last thing she would want is to hear anyone
12 saying nice shit about you.

13 Then one up. Mr. Haddow responds: That was a very
14 nice message. I haven't spoken to her in nearly a year.
15 Saying you have the same values as me may not have helped
16 either.

17 Up one. Mr. Moore replies: Yeah, sorry, mate. I
18 sent it over a month ago before I knew you weren't speaking.
19 Should probably have asked first. Apologies.

20 And then the very top, Mr. Haddow says: Well, you
21 didn't know she is a mad old cow.

22 THE COURT: Wait a minute. This is on 3/7/2016?

23 MR. BELL: 3/27/2016, your Honor.

24 So that's Government Exhibit 147 which, Mr. Cooney,
25 you can take down.

J66VM006

1 Our final exhibit for publication is Government
2 Exhibit 129. Let's just go to the very top here. At the very
3 top, the final email, the top email, is from
4 jr@theunitedpropertygroup. It's to Neil Storey, David Kennedy,
5 and Ana KP, previously identified as Mr. Moore. The date is
6 February 25th, 2016. And the subject is "Re: Deal file -
7 Loreley Zavattiero - 5 leases."

8 Let's go, Mr. Cooney, to the bottom of that page. And
9 so at the very bottom, JR writes: The clients are not
10 Americans, Brazilian and Argentinian respectively. We always
11 check the IDs. Just looked at the app form again and spotted
12 the U.S. address. We will check with the clients for their
13 official residency; and if they are full-time residents, we
14 will revert Ren for his accredited sign-off process. He has
15 sent us the accreditation form previously, so we are now aware
16 of his process.

17 Thanks for the heads-up, Neil.

18 Best regards, James Robinson, co-founder.

19 And then the reply, which is right above within that
20 box, comes from Neil Storey. Storey writes: Thanks, James.
21 Importance can't be overstated. Clients have a U.S. address
22 and funds being sent from a U.S. bank. If also U.S. residents,
23 it gets worse. Brazilian or Argentinian address and bank
24 transfer not an issue. But as things stand, this is a real
25 concern.

J66VM006

Phillips - direct

1 Moving up one. JR responds to Storey, Kennedy, and to
2 the defendant: On it.

3 Best regards, James Robinson, co-founder.

4 That concludes Government 129.

5 Your Honor, the government rests.

6 THE COURT: Thank you.

7 So now we turn to Mr. Garvin for a defense case.

8 MR. GARVIN: Yes, your Honor.

9 First, just to preserve the record, the defense would
10 move pursuant to Rule 29 for a directed verdict.

11 THE COURT: We can deal with that offline.

12 MR. GARVIN: Thank you, sir.

13 As the first witness, we call Sean Phillips.

14 If I may, I'll walk out into the hallway to get the
15 witness.

16 THE COURT: Sure.

17 DIRECT EXAMINATION

18 BY MR. GARVIN:

19 Q. Good afternoon, sir.

20 A. Good afternoon.

21 Q. Sir, it would be fair to say that you know I'm David
22 Garvin; correct?

23 A. Correct.

24 Q. And that we have spoken a few times since I served a
25 subpoena on you or caused a subpoena to be served upon you?

J66VM006

Phillips - direct

1 A. Yes, sir.

2 Q. And, in fact, we met for the first time last evening; is
3 that correct?

4 A. Correct.

5 Q. And I told you where to be today?

6 A. You did.

7 Q. Is that correct?

8 Sir, can you please give the ladies and gentlemen of
9 the jury a little bit of your background first. Let's start
10 with your educational background.

11 THE COURT: Or where do you live?

12 A. I live in southwest Florida currently. I have always been
13 in the health and fitness world; and lucky enough -- was at the
14 right place at the right time, lived in Europe for 18 years,
15 floated a company on the London Stock Exchange, and built the
16 world's largest health club chain.

17 Q. And before you did that, can you tell us a little bit about
18 your educational background?

19 A. Educational background. I have a masters degree in
20 exercise, physiology, and applied anatomy from Penn State
21 University; an undergraduate in health and fitness from
22 Slippery Rock University.

23 Q. Okay. I'm going to ask you to be mindful that the court
24 reporter has to take everything down, so please try to go at a
25 speed that makes that happen, okay?

J66VM006

Phillips - direct

1 A. Apologies.

2 Q. So, sir, tell us a little bit about your work experience.

3 A. Like I said, I started off in -- working in health clubs
4 when I was 18. From that I got pretty good at it and moved on
5 up to -- I ran a very large YMCA at the very beginning of my
6 career.

7 Q. What year would that have been?

8 A. 1987, '88.

9 Q. Okay.

10 A. I played soccer at a high level as well; so I got a call
11 from a headhunter saying, Hey, Sean, you play soccer. Want to
12 go to England? And next thing you know, I was flying on
13 Concorde and ending up in Old Blighty, as they say.

14 Q. And did you work in Europe?

15 A. I did. I worked in the health club field in England and
16 actually in 18 countries on five continents it ended up being.

17 Q. When you say "I worked on," what positions did you hold,
18 sir?

19 A. I started off running one health club that went from a
20 general manager to a regional manager to country manager to
21 being the COO of a publicly traded company.

22 Q. And what was the name of that company?

23 A. It was called Fitness First LLC -- or PLC, sorry, in
24 England.

25 Q. And how long did you work with Fitness First?

J66VM006

Phillips - direct

1 A. For 15 years.

2 Q. And during those 15 years, did you have experience with
3 obtaining members for the business?

4 A. 1.8 million of them, yes.

5 Q. And did there come a time when you had the occasion to meet
6 Jim Moore?

7 A. Yes.

8 Q. And did there also come a time when you had occasion to
9 meet a gentleman by the name of Neil Storey?

10 A. Absolutely.

11 Q. Please tell the ladies and gentlemen of the jury how it is
12 that you came to meet Jim Moore.

13 A. Like I just said, I was living in Florida, I still do. And
14 I ended up meeting Jim through Neil Storey, who are friends.
15 And our paths crossed because of my expertise in the fitness
16 industry and --

17 THE COURT: You met him. Do you remember what year
18 you met Mr. Moore? Roughly.

19 THE WITNESS: Probably five years ago, six years ago
20 now.

21 Q. Approximately six years ago?

22 A. Yeah.

23 Q. So we're talking in or about 2013?

24 A. Yes, give or take.

25 Q. And how is it that you met Mr. Neil Storey?

J66VM006

Phillips - direct

1 A. I met him with Jim.

2 Q. And what business or background did you understand Neil
3 Storey to have?

4 A. Neil was the consulate general to Peru and to Brazil for a
5 number of years. So he was -- to me he's always been basically
6 a diplomat or ex-diplomat. So I know he was responsible for a
7 lot of trade from the UK government into South America, as
8 well. I know his family well now.

9 Q. And did there come a time when either Mr. Moore or
10 Mr. Storey mentioned to you a company by the name of Bar Works?

11 A. Yes.

12 Q. And can you please tell the ladies and gentlemen how that
13 came about and when?

14 A. I don't remember the exact dates. I'm sure that there are
15 emails from myself showing those dates. But I was asked just
16 to take a look at a concept that would be a smaller more
17 boutique offering to We Work, which is -- and I think still
18 is -- the world's largest co-working-working organization. And
19 so I was asked to take a look at Bar Works and potentially get
20 involved on the membership side.

21 Q. What was your understanding of the business model for Bar
22 Works?

23 A. I was told at the beginning that Bar Works was looking at
24 defunct restaurants and bars in the New York City metro area
25 that had gone under; so landlords were very keen to rent the

J66VM006

Phillips - direct

1 space, and basically turning those very quickly and easily, for
2 not a lot of money, into co-working sites.

3 Q. Going to place in front of you or -- excuse me. Let me
4 started over.

5 I'm going to place on the Elmo Defendant's Exhibit
6 5060 which is in evidence, and ask you if you recognize --

7 A. I do.

8 Q. -- this email?

9 A. I sure do. I remember it.

10 Q. Can you tell us a little bit about the email before we
11 start to read from it? What is going on about this time?

12 A. This is an email communication between myself and
13 Mr. Haddow. Just -- I think this was just talking about
14 membership.

15 THE COURT: This is dated 2/19/2016?

16 THE WITNESS: 2016, yes, February, which would have
17 been right before I went to New York. Yup.

18 Q. Okay. So can you tell us to the best of your recollection
19 how did you start doing work for Bar Works? What kind of work
20 did you initially start with?

21 A. I really didn't do any, quote, work for Bar Works. I went
22 with the potential of getting involved, whether on a
23 consultancy basis or helping them with the membership side of
24 the organization, which is selling memberships to the sites
25 that they were looking at opening, and helping with that entire

J66VM006

Phillips - direct

1 process.

2 Q. And can you recall what month it was when you started
3 spending some time looking at Bar Works, the inception?

4 A. Probably October/November of 2015.

5 Q. Let's read what was said in this.

6 It's from Sean Phillips, which would be you; is that
7 correct?

8 A. Correct.

9 Q. And your email address appears to be
10 sean@ijustgotbetter.com; is that correct?

11 A. Yup. And I think subsequently somebody had misspelled
12 that, that I had them use another email address, which was
13 sean@suresean.com.

14 Q. And it's made out to Bar Works, info@barworks.nyc. And you
15 see there's copies to Neil Storey and James Moore; is that
16 correct?

17 A. Correct. Because they were my contacts, those were the
18 people that I was in touch with and that I had met.

19 Q. It says: Hi, Renwick. It was great speaking to you and
20 hearing your passion and enthusiasm for the Bar Works rollout.

21 Now, is that Renwick Haddow that you're making out
22 this email to?

23 A. Yes.

24 Q. And as of the time that you're writing this email, had you
25 ever met face-to-face with Renwick Haddow?

J66VM006

Phillips - direct

1 A. No, sir.

2 Q. At the time that you're writing this email, had you ever
3 been to New York City to inspect any of Bar Works's locations?

4 A. No, sir.

5 Q. I don't have anything I need to run by you yet, but I am
6 sure I will after speaking to Zoe on Monday. I did not get her
7 email address, as I think you accidentally hit an "i" instead
8 of an "o" when sending your email to me, and I just got lucky
9 and received it, with a smiley face. Zoe wasn't included on
10 the forwarded email from the server. It is easier to use my
11 sean@suresean.com email then. Feel free to throw stuff at me
12 that way.

13 My goal is to simplify the membership sales process,
14 like you have with pricing model, and the potential member's
15 ability to access joining. What does that mean, sir?

16 A. Basically, my goal was to help simplify the sales process
17 overall. I didn't know what the sales process was at that time
18 because I hadn't been there, hadn't seen anything. But I had
19 seen some of their pricing model, which was pretty
20 straightforward and very simple at the time. I can't remember
21 it exactly, but I remember it being not that complicated. And
22 the potential member's ability to access joining, basically
23 saying, Hey, I want to help you guys get members because that's
24 the key to this.

25 Q. I apologize.

J66VM006

Phillips - direct

1 A. That's all right.

2 Q. When you say "members," are we talking about the actual
3 people who would use the space to work out?

4 A. Correct. Absolutely.

5 THE COURT: Use to work out.

6 THE WITNESS: To work out. That's all I'll ever talk
7 about; that's the only side of the business that I know.

8 Q. You were not talking about investors?

9 A. No, sir.

10 Q. But your goal or one of the goals of a business like this
11 is to attract as many members as possible; is that correct?

12 A. To me, that's the only goal.

13 Q. After speaking to Zoe at length, I would like to get NYC
14 quickly thereafter and then be able to quickly implement a plan
15 to start meeting, greeting, and filling seating.

16 Was that your objective, sir?

17 A. Yeah. My plan was to help with membership. As you can
18 see, all through this email, that's all I talk about. I was
19 keen to get -- the process had been going fairly slowly from
20 talking to people and being able to actually get to New York
21 City. I was looking at other opportunities out there in my
22 world, and this was one that looked interesting, so I wanted to
23 pursue it. But it was kind of being slow walked a little bit,
24 so that's why.

25 Q. When you say it was dragging or lagging a little bit, are

J66VM006

Phillips - direct

1 you referring to you getting to New York --

2 A. Yes, sir.

3 Q. -- meeting the required people, and getting going with the
4 task at hand?

5 A. Yes, sir.

6 Q. Now, did there come a time -- by the way, who was it, if
7 anyone, who asked you to contact Bar Works?

8 A. Jim and Neil were the conduits to my -- but that was --

9 Q. Did there come a time when a meeting was scheduled to go to
10 New York?

11 A. Yes.

12 Q. And can you tell us when that was?

13 A. I think it was in March sometime. I think it was early
14 March, I believe, because I had a conference that I was
15 speaking at later on in March.

16 Q. Okay. I am going to show you now Government's Exhibit 136.
17 And it says: Gentlemen, both Jim and I have traveled -- let me
18 see if I can get to the part that relates to you.

19 Okay. We are both looking forward to seeing you in
20 New York City on Wednesday. We have arranged for Sean Phillips
21 to also be on the ground this week.

22 And the date of this email is March 6, 2016. The
23 subject is "Agenda for New York City." Do you see that?

24 A. I do.

25 Q. Is that consistent with your recollection that you were

J66VM006

Phillips - direct

1 there the following week?

2 A. Yes, sir.

3 Q. So that would be approximately on or about March 11th
4 through -- well, I don't know, how many days did you stay in
5 New York?

6 A. Just two.

7 THE COURT: Did you come up from Florida?

8 THE WITNESS: Yes, sir, I did.

9 Q. Please tell the ladies and gentlemen what happened when you
10 arrived in New York to go to Bar Works in March.

11 A. I went -- I came up the night before. I flew in at night
12 and was going to meet the next morning. I went and looked at
13 one of the sites. It was closed. Back to my hotel.

14 Next day I went. And as I would do in any co-working
15 place, and with laptop in hand, and sat down. And was going to
16 kind of get kind of a little reddy on tape what I was dealing
17 with. So seeing staff, anything else that was going on. And
18 that kind of started my day and going, Okay.

19 Q. Now, were you aware -- or let me ask it a different way.

20 Was Mr. Storey in New York City during that week?

21 A. Yes.

22 Q. And was Mr. Moore in New York City?

23 A. Yes.

24 Q. And Mr. James -- what is it, Mr. Robinson from UPG, was he
25 in town that week?

J66VM006

Phillips - direct

1 A. I can't recall if he was at all. I remember three other
2 gentlemen. I think it was Dion Jacobs, Mike White, I believe
3 his name is, and David Lilley from Dolphin Capital were
4 definitely there.

5 Q. And do you recall meeting with them?

6 A. I do.

7 Q. And when I say "them," was Mr. Moore and Mr. Storey part of
8 the group that met?

9 A. Yes.

10 Q. What about Renwick Haddow, was he physically present?

11 A. He wasn't present in any meetings with -- that I was
12 involved in with Dolphin Capital.

13 Q. Was there a time when you were at the facility, but while
14 Mr. Haddow did not attend the meeting, was he physically close
15 by?

16 A. One night that we went to, I believe it was, Koi for
17 dinner, yes, Mr. Haddow was there, but not at our table.

18 Q. Can you explain what happened on that occasion?

19 A. On that occasion, we had gone out for dinner. And
20 Mr. Storey, myself, and Dion, Mike, and David were all at a
21 table. And I know that Mr. Haddow had come in and was standing
22 at the bar, which was from here to the courtroom doors away,
23 kind of obstructed from view. And --

24 THE COURT: You mean the back of the courtroom?

25 THE WITNESS: The back of the courtroom. I'm sorry.

J66VM006

Phillips - direct

1 So just 35, 40-feet-plus away.

2 A. And as we sat around the corner at a table, and I know that
3 Jim had left our table to go and try to encourage Mr. Haddow to
4 join us. Then that never happened.

5 Q. Now, at any time did you meet a person by the name of
6 Jonathan Black?

7 A. No, sir.

8 Q. And who did you understand Jonathan Black to be?

9 A. From what I know, Jonathan Black was a -- seemed like a
10 British aristocrat of some kind. Never met the gentleman;
11 never spoke to the gentleman.

12 Q. Do you know if he held any position or title with Bar
13 Works?

14 A. I think I saw online something about him being involved at
15 the highest level, but I don't know what that position would
16 be, whether it was CEO or anything like that.

17 Q. And did anybody ever tell you that Jonathan Black did not
18 exist?

19 A. No, sir.

20 Q. Did anybody ever tell you that any kind of impropriety was
21 going on at Bar Works?

22 A. Absolutely not.

23 Q. Would you have even agreed to appear there to help them if
24 somebody would have told you such things?

25 A. Never, ever. I never would have made the trip to New York,

J66VM006

Phillips - direct

1 never would have taken phone calls, and never would have done
2 the work that I did preliminary to say, Hey, here's some ideas
3 on what Bar Works can do.

4 Q. Now, when you were at Bar Works, did you form an opinion as
5 to -- well, how did you find the conduct of Mr. Haddow during
6 the couple of days that you were there?

7 MR. VAINBERG: Objection. Vague.

8 THE COURT: Overruled. You can answer it.

9 A. It was erratic, not just -- never knowing if Mr. Haddow was
10 going to show up or not show up. Most of my dealings were with
11 Zoya, spelled Zoe, who I believe was his wife. And who -- it
12 became very apparent very quickly that she didn't want me
13 involved.

14 THE COURT: That she, the wife, didn't --

15 THE WITNESS: The wife didn't want me involved in
16 helping Bar Works. It seemed like a little bit of a power
17 struggle, like, Who is this guy?

18 THE COURT: Did you meet her?

19 THE WITNESS: Yes, sir.

20 BY MR. GARVIN:

21 Q. Can you please describe some of the things that you
22 observed when you were in the same, I would say, vicinity of
23 Renwick Haddow's wife, Zoe?

24 THE COURT: I don't understand your question.

25 Q. Tell us what you observed the way that Zoe Haddow was

J66VM006

Phillips - direct

1 conducting business at Bar Works while you were there.

2 A. When I first walked into Bar Works, I sat down. And the
3 first thing you're going to do when you go to a co-working
4 place of any kind, because it's kind of like a Starbucks-ish
5 type of thing, where you're going to plug in a computer, a
6 phone, or something. And I walked in and I sat down at a round
7 table and I went, Oh, okay, I could see how this could be
8 converted into a co-working place. Yeah, all right. It was
9 already open.

10 THE COURT: It was already open?

11 THE WITNESS: Yeah.

12 A. So I thought, Okay, this would be great.

13 It didn't kind of seem open, but whatever.

14 I went to try to plug a plug in and couldn't find a
15 plug. I was like, Wow, a lot of tables here, no plugs. I
16 guess everybody has really long battery life in New York City.

17 And so I followed this bright orange cable up the
18 wall, which was this extension cable that I could finally get
19 plugged into at the inn.

20 I asked the guy that was behind the bar at the time,
21 and I was like, Where do you plug in anything?

22 And he's like, Oh, there's the extension cord.

23 And I was like, This one extension cord that goes all
24 the way up?

25 He said, Yes. Okay.

J66VM006

Phillips - direct

1 And I was like, Oh, cool.

2 I said, so what do you guys do for drinks here? I see
3 that you give complimentary coffee and soft drinks. I'm like,
4 There's a cooler here with four cans of Coke in it. I'm, like,
5 Did you guys already have a bunch of people through this
6 morning taking all the cans of Coke?

7 And the poor kid behind it says, No, no, no. Because
8 if we put more, then the members will take them.

9 And I went, What?

10 That was echoed with Zoya saying the same thing. I
11 was like, You should just fill that up so it looks good.
12 Because this looks kind of weird; it looks like my dormitory
13 refrigerator on a good day.

14 But so she said the same thing. No, well, if we put
15 them in there, then the people will take more than one.

16 I'm like, Okay. You're getting membership off these
17 people.

18 Q. How did you find that type of management? Did you form an
19 opinion about it?

20 A. Yeah, I was just -- it was a head-scratcher. Going, Okay.
21 Well, you've got something that could be cool here, but I guess
22 you don't want it to be, because that's just Customer Service
23 101.

24 Q. And did you ever have a productive sit-down meeting with
25 Renwick Haddow?

J66VM006

Phillips - direct

1 A. I never sat down one-on-one with Mr. Haddow, no.

2 Q. And what about sitting down with him with a few other
3 people?

4 A. Yes.

5 Q. And please describe how that went.

6 A. Just bizarre. Just erratic. Like Mr. Haddow was just --
7 yeah, didn't -- didn't flow, didn't make a lot of sense,
8 different conversations that I was a part of, because there was
9 only two or three.

10 Q. And during these conversations with Mr. Haddow, did you
11 form an opinion as to whether or not he actually wanted to use
12 your services?

13 A. It became pretty apparent pretty quickly that Mr. Haddow --
14 and, in fact, I think his words were, I need the Belfort
15 scripts.

16 And I went what? The what?

17 He said, You know, the Jordan Belfort scripts.

18 And I'm like, For membership?

19 So he wanted all of my, you know, decades of
20 experience in selling health club memberships. Because in
21 co-working, you're selling effectively the same kind of way;
22 it's a monthly membership type of scenario. Because I became
23 fairly proficient at it over the decades, so sayeth our stock
24 price at Fitness First, that that's really all he was
25 interested in. In fact, I even -- there were some sales guys

J66VM006

Phillips - direct

1 that I think were selling investment, not membership, as part
2 of Bar Works, who kept getting -- when they found out who I
3 was, they were like, So do you have our leads? Are you the one
4 giving us our leads?

5 I'm like, What? No. No. I'm here on membership.

6 But they kept saying, Hey, where are our leads? And
7 where are our scripts? That's pretty much --

8 Q. Did it become apparent that Renwick Haddow wanted to take
9 your information and give it to his wife to conduct the actual
10 work?

11 A. Absolutely.

12 MR. VAINBERG: Objection. Speculation.

13 THE COURT: Sustained. Strike the answer.

14 Q. Based upon your conversations and the questions that were
15 posed to you by Renwick Haddow, what --

16 THE COURT: Excuse me.

17 MR. GARVIN: Yes, sir.

18 THE COURT: I thought he had no conversations with
19 Mr. Haddow, other than perhaps in the group.

20 MR. GARVIN: Let me back up on that.

21 Thank you, your Honor.

22 Q. When you were in a group -- when we get a feel for -- when
23 we say the word "group," was it a few people or a lot of
24 people?

25 A. No, just a few.

J66VM006

Phillips - direct

1 Q. Who were those few people?

2 A. Just Mr. Haddow, Zoya, and a couple of people that worked
3 for them.

4 Q. And did you have an opportunity for Mr. Haddow to ask you
5 questions?

6 A. Yes.

7 Q. And when he asked you the questions, what feeling, if any,
8 did you have as to what his objective was?

9 A. It kind of felt like -- I don't know. I felt like an
10 outsider from the day I walked in. My visit was short and, I'm
11 going to say, abrupt, because it was like somebody that didn't
12 want my help, but wanted my information.

13 THE COURT: How long?

14 THE WITNESS: Two days.

15 THE COURT: No, how long was your meeting?

16 THE WITNESS: Oh, meetings there were several little
17 meetings, like 10 minutes, 15 minutes. Nothing was ever super
18 long with Mr. Haddow.

19 Q. Did you have an opportunity while you were in New York to
20 spend some time with Neil Storey and Jim Moore?

21 A. I did.

22 Q. And can you tell us, the ladies and gentlemen of the jury,
23 whether or not they were satisfied or happy with the conduct of
24 Mr. Haddow during this trip?

25 MR. VAINBERG: Objection.

J66VM006

Phillips - direct

1 THE COURT: Sustained.

2 Q. To your understanding, based upon your observations, did
3 you at any time --

4 THE COURT: Did you meet with Storey and Moore and
5 Haddow together? Was that what happened?

6 THE WITNESS: No. Mr. Haddow was very elusive with a
7 number of the meetings with all -- everyone together.

8 THE COURT: So you never met with him with them?

9 THE WITNESS: No.

10 THE COURT: So just so I understand, you met with his
11 wife?

12 THE WITNESS: Yes, sir.

13 THE COURT: And who else?

14 THE WITNESS: I'm not sure of the other people's
15 names; people that were selling I believe it to be investments
16 now and a couple of the people that were working inside the
17 facility.

18 THE COURT: But how did you start the conversations?
19 You walked in and said, I'm Sean Phillips, to his wife?

20 THE WITNESS: Yes. I walked in, his wife wasn't
21 there, and I said, I'm Sean Phillips, and I'm here to meet Zoya
22 and Renwick. And then Zoya came in and brought along her
23 business and came over and spoke to me briefly. And it was --
24 it was, again, very erratic. It wasn't just, Hey, let's sit
25 down and let's pick Sean's brain for the information. Again, I

J66VM006

Phillips - direct

had gone in and had already given these guys basically Power Point presentations on, Hey, here's my -- my overview of what I think can be done with a brand like this from a membership sales point of view. And that was met with almost disdain, in my opinion, when I got there.

Not that I'm the pied piper of pied pipers, but I have sold more memberships than anybody else on the planet in the health club business. So when I walked in as somebody who could help a very young organization, I was definitely met with almost contempt. It was bizarre. Like, We don't want you here. That's my opinion.

MR. VAINBERG: Objection as to the characterization.
Move to strike that portion of the testimony.

THE COURT: Overruled. I'll allow it.

BY MR. GARVIN:

Q. Now, after you experienced that with Zoe Haddow and Renwick Haddow, did you have an opportunity to meet with Mr. Storey and Mr. Moore?

A. Yes, I did.

Q. And did you convey to them how you had been treated?

A. Yes.

Q. And did they have a reaction when they heard how you had been treated?

A. They were embarrassed. They were apologetic.

Q. And you had mentioned earlier that you had an opportunity

J66VM006

Phillips - direct

1 to meet with the Dolphin investment people; I think it was
2 David Lilley and others. Is that correct?

3 A. Correct.

4 Q. And what, if anything, came out of your getting an
5 opportunity to meet with them?

6 A. My opportunity to meet with them and get to know them was
7 based on Mr. Haddow not joining us at the table, at dinner the
8 one evening, the only evening we went to dinner. And Jim and
9 Neil excusing themselves early, which I didn't realize why
10 until now, because they just were embarrassed about how the
11 evening went.

12 And so I ended up -- actually, I don't drink; I'm
13 allergic to alcohol. So I end up walking down into the
14 basement bar with three guys from a multi million-dollar fund
15 in England to what I'm thinking is, Oh, gosh, I get to
16 entertain these guys. But it turned into a really nice
17 friendship, so it was actually a nice meeting.

18 Q. And this is the same evening that Renwick Haddow was
19 physically in the same premises, but he was 30 or 40 feet away
20 and would not come to the table?

21 A. That is correct.

22 Q. And you could actually see --

23 A. From where I was sitting, I could see where he was
24 standing, yes.

25 Q. And you knew it was Renwick Haddow?

J66VM006

Phillips - direct

1 A. Yes, because I had met him earlier that day.

2 Q. You had met him earlier that day --

3 THE COURT: When did you meet him?

4 THE WITNESS: The first day that I got there, later on
5 in the day after I met his wife.

6 MR. GARVIN: Your Honor, I have no further --

7 Q. Oh, I want to make it very clear. Did you ever end up
8 doing any business with Bar Works?

9 A. No, sir, I did not.

10 Q. Did you ever go back to Bar Works?

11 A. No, I did not.

12 Q. Did you ever have any meetings with Renwick Haddow after
13 that one trip?

14 A. No, I did not. But I did see my name on their website at
15 one point as somebody who was doing work with them.

16 Q. And did you ever authorize Renwick Haddow to use your name
17 on his website?

18 A. Never. Never did. Never would.

19 Q. Sir, just to be clear, before that March trip, you had
20 never been to Bar Works in New York; is that correct?

21 A. That's absolutely correct.

22 Q. And after that one trip in March of 2016, you never went
23 back to Bar Works?

24 A. Never went back.

25 Q. So this was the sole and only time that you were at Bar

J66VM006

Phillips - direct

1 Works in New York and saw and spoke with Renwick Haddow?

2 A. I haven't been back to New York City since until yesterday.

3 Q. And the only other thing that you knew about Bar Works was
4 that Renwick Haddow was using your name on his website without
5 your permission?

6 A. Correct.

7 MR. GARVIN: I have no further questions, your Honor.

8 THE COURT: Cross-examination.

9 Does anybody need a break?

10 Take five minutes.

11 (Jury not present)

12 (Recess)

13 (Continued on next page)

14

15

16

17

18

19

20

21

22

23

24

25

J667MOO7

Phillips - Cross

1 (Jury present)

2 THE COURT: Please be seated, everybody. Government,
3 cross-examination.

4 DEPUTY COURT CLERK: Before we begin, I would like to
5 remind you you are still under oath.

6 THE WITNESS: Thank you.

7 MR. VAINBERG: Your Honor, at this time the government
8 moves Exhibits 2000 to 2009 and 2011, 2014 into evidence.
9 These are e-mails sent or received by the defendant.

10 THE COURT: OK, I will allow it.

11 (Government Exhibits 2000 through 2009 received in
12 evidence)

13 (Government Exhibits 2011 and 2014 received in
14 evidence)

15 MR. VAINBERG: Or related by the defendant.

16 CROSS EXAMINATION

17 BY MR. VAINBERG:

18 Q. Good afternoon, Mr. Phillips.

19 A. Good afternoon.

20 Q. Mr. Phillips you and I have never met before, right?

21 A. No, sir.

22 Q. And we have never spoken before, right?

23 A. No, sir, we have not.

24 Q. All right. You're here testifying for Jim Moore, the
25 defendant, right?

J667MOO7

Phillips - Cross

1 A. Yes.

2 Q. Jim Moore hired you to work at Bar Works, right?

3 A. Jim Moore asked me to come and take a look at Bar Works to
4 see if it's something that I wanted to use my certain skill set
5 to help. I was never hired by Bar Works.

6 Q. Mr. Phillips, you were never hired by Bar Works?

7 A. Never -- not formally hired by Bar Works. I went up to do
8 some consulting.

9 Q. Mr. Phillips, were you paid by Bar Works?

10 A. I was paid part of my expenses from Bar Works, yes.

11 Q. Your testimony is that you were only paid a part of your
12 expenses?

13 A. I was -- I can't remember what exactly I was paid by Bar
14 Works, but I know I had to go and ask for it a few different
15 times. But I have a daily rate when I go to look at certain
16 things, so it was as an independent contractor.

17 Q. Mr. Phillips, isn't it true that you were paid \$7,500 by
18 Renwick Haddow for your work at Bar Works?

19 A. I don't remember being paid \$7,500.

20 Q. You don't remember that happening?

21 A. No, but if you have proof of that, I'm sure I was. I was
22 doing consulting at that time, so...

23 Q. Now, before you were hired, as you put it -- you're saying
24 you were not hired by Bar Works; you were only working as a
25 consultant?

J667MOO7

Phillips - Cross

1 A. Yeah, I've never signed anything to be on any payroll of
2 any company.

3 Q. You sent a proposal to Jim Moore, something called
4 "Operation bums on seats."

5 A. It's a British term, bums on seats. It's kind of like --
6 but, yeah, I signed a couple different -- I alluded to that
7 earlier in my testimony that there were a couple of decks I had
8 sent, PowerPoint presentations.

9 Q. And, Mr. Phillips you sent those decks to Jim Moore and
10 Neil Storey, right?

11 A. I did, because those were my contacts to potentially go up
12 and have a look at Bar Works, yes, sir.

13 Q. You didn't send those decks to Renwick Haddow, right?

14 A. I don't remember sending them to Renwick, no. I didn't
15 have an e-mail for Renwick Haddow at that time.

16 Q. And after you sent those decks to Jim Moore and Neil
17 Storey, did there come a time when you were told that you would
18 be hired to work for Bar Works?

19 A. There was a time when I was told that I would be going to
20 New York, yes.

21 Q. And, Mr. Phillips, isn't it true that Mr. Moore also put
22 you on the board of a company called Our Space?

23 A. Much later I was involved in Our Space, yes.

24 Q. Well, you weren't just involved, right? You were the chief
25 operating officer of Our Space, right?

J667MOO7

Phillips - Cross

1 A. I never was a chief operating officer of Our Space on
2 paper, no, sir.

3 THE COURT: When were you involved with Our Space?

4 THE WITNESS: Much after, months after.

5 THE COURT: Well, roughly a date.

6 THE WITNESS: I can't remember yesterday's date, sir,
7 so, but let's say six months after my visit to Bar Works.

8 Q. Let's look at Government Exhibit 1105 in evidence. And,
9 Mr. Phillips, you're not on this e-mail, but you can see that
10 it's an e-mail from an individual from United Property Invest
11 to Loreley Zavattiero, right?

12 A. I can see that.

13 Q. And, Mr. Phillips, you see that an attachment to this
14 e-mail is something called Our Space
15 Space-Miami-INT-UPI(1).pdf?

16 A. Yeah.

17 Q. Let's scroll through that attachment, please? Have you
18 seen any brochures for Our Space?

19 A. I have seen a few of them. I don't remember seeing this
20 one.

21 Q. Let's go to page 36, please. That's your picture, isn't
22 it?

23 A. Yeah, that's a striking picture of me, yeah.

24 Q. Let's blow it up.

25 A. I see. I see where it says COO, yeah.

J667MOO7

Phillips - Cross

1 Q. You didn't know that they put you as a COO in their
2 brochure? By they I mean Our Space.

3 A. I see that now on this one, but I was never formally, as I
4 said earlier, hired as a COO of Our Space on paper.

5 THE COURT: Today is the first day you've seen this?

6 THE WITNESS: Today is not the first day I've seen
7 this blurb. Today is the first day I've seen this deck,
8 whatever you want to call this.

9 Q. Today is the first day that you've seen that your position
10 at Our Space was described as COO?

11 A. No, that's the first day I've seen this particular
12 presentation is what I was saying.

13 Q. Mr. Phillips, didn't you say a few minutes ago that you
14 were hired as COO of Our Space when I asked you that question?

15 A. I said I was not hired on paper as the COO of Our Space.
16 But Our Space when it first started, I was basically the
17 operations position, yes.

18 Q. I'm sorry.

19 A. I was being extremely technical.

20 Q. You were not hired on paper to be the COO of Our Space?

21 Isn't this a piece of paper with you as the COO of Our Space?

22 A. It's a digital presentation, yes.

23 Q. Did you give authorization for your picture and name to be
24 used in the brochure for Our Space?

25 A. I gave permission for my name to be used with Our Space.

J667MOO7

Phillips - Cross

1 Q. That wasn't my question, Mr. Phillips.

2 A. That's my answer. They did a number of different
3 brochures, and I did not stop them from using my name in
4 brochures.

5 Q. Mr. Phillips, did you give authorization for your name to
6 be used in connection with the position COO for Our Space?

7 A. Yes.

8 Q. You did do that.

9 A. Yeah, let's say I did. Yes, I did.

10 Q. Did you just say "let's say that," Mr. Phillips?

11 A. What?

12 Q. Did you just say "let's say that" before you said "yes, I
13 did"?

14 A. No, I didn't say that.

15 Q. All right, Mr. Phillips. You much money did you get -- you
16 knew that Our Space was associated with Mr. Moore, right?

17 A. I knew that Our Space was associated with Neil Storey,
18 Mr. Moore and several others, yes.

19 Q. How much money did you get from Our Space for serving as a
20 COO on paper?

21 A. I was paid originally \$10,000 per month for my consultancy.

22 Q. And how much money total did you get paid?

23 A. I actually don't know because they still owe me money.

24 Q. Well, how much -- you don't know how much you were paid by
25 Our Space?

J667MOO7

Phillips - Cross

1 A. Not in total, because I know what I have invoiced and what
2 I haven't received, yes, so they still owe me \$100,000.

3 THE COURT: And you received how much?

4 THE WITNESS: About 130,000 for my time.

5 Q. You received \$130,000 from Our Space?

6 A. Well, I traveled a lot for that organization in Europe,
7 yes, and help set up.

8 THE COURT: You started with them when?

9 THE WITNESS: Months after visiting Bar Works and
10 finding out that that wasn't --

11 THE COURT: Well, roughly when did you start with Our
12 Space?

13 THE WITNESS: Well if I was here in March, it would
14 have been probably May, June time, maybe a little bit later.

15 Q. And just so we're clear, the company that paid you \$130,000
16 was associated with the defendant, right?

17 A. Yes.

18 Q. Now, did you understand -- I believe you said on direct
19 examination I really didn't do any work for Bar Works. Is that
20 accurate?

21 A. Yeah, I mean I gave them information, but I didn't
22 actually, you know, go to work for that organization, yes.

23 Q. You understood that a significant benefit from having --
24 from the defendant recruiting you to Bar Works was so they
25 could use your name on investment brochures sent to investors,

J667MOO7

Phillips - Cross

1 right?

2 A. No, I did not know that.

3 Q. You didn't know?

4 A. With Bar Works?

5 Q. Yes, for Bar Works.

6 A. No.

7 Q. Well, let's take a step back. Mr. Phillips, you knew that
8 Bar Works raised money from investors, right? You knew that.

9 A. I knew that they were raising money. I didn't know how
10 they were doing it. It wasn't part of my involvement at all
11 with that organization.

12 Q. Did you know that Bar Works was raising money from
13 investors?

14 A. I met some people when I got to New York; they were raising
15 money for investors, yes.

16 Q. Did you know that having you on press releases and other
17 marketing materials was a benefit to Bar Works to raise money
18 from investors?

19 A. I figured that out after I had left New York, yes.

20 Q. So, you did know that hiring you was a benefit in the
21 investment fundraising aspect, right?

22 A. I didn't at the time, no, because I didn't know that my
23 name was being used. I understand that now, yes.

24 Q. You didn't know at the time that your name was being used
25 in any marketing materials?

J667MOO7

Phillips - Cross

1 A. No, sir. At Bar Works, no, I did not know that.

2 Q. Let's go to -- let's go to Government Exhibit 2009, please.

3 And, Mr. Phillips, if we can zoom in on the top portion.

4 That's an e-mail from you, right?

5 A. Yep.

6 Q. That's an e-mail you're send to go Neil Storey and James
7 Moore, right?

8 A. Um-hum.

9 Q. And it's dated February 17, 2016?

10 A. Correct.

11 Q. And you are attaching an invoice and a deck here, right?

12 A. I am.

13 Q. You remember sending this e-mail and the deck, right?

14 A. I remember it now, yeah.

15 Q. Let's take a look at your deck, please. Can we go to the
16 first page, please. Let's go to the next slide. You write
17 there --

18 A. Yep, I remember that. "

19 Q. -- "Sean Phillips is currently offering memberships to his
20 vast array of talents and experience, and because he is in
21 presale right now they are only \$7500 a month (plus agreed
22 percentages." You wrote that, right?

23 A. Yes.

24 Q. That's you asking for your \$7,500, right?

25 A. Yeah.

J667MOO7

Phillips - Cross

1 Q. And you are also asking for an agreed percentage, right?

2 A. Yes.

3 Q. What was that percentage?

4 A. I don't remember actually, I really don't.

5 Q. You don't -- what was the percentage supposed to be of?

6 A. Of membership sales and revenue of membership.

7 Q. You don't remember what percentage.

8 A. I think it might have been five percent, but I really
9 don't. I have tried to put most of the Bar Works thing out of
10 my memory because it didn't serve me. I don't like carrying
11 around extra baggage, but yeah.

12 Q. But you had negotiated a percentage of membership sales
13 from Bar Works, right?

14 A. Yeah, if I ended up working with them, yeah.

15 Q. Let's go to the next slide. And let's go to the next.
16 Let's keep going. The next one.

17 All right. Let's look at this slide. You put
18 together this slide, right?

19 A. Yeah, I put together all the slides in this presentation.

20 Q. Does this accurately describe what you did for Bar Works?

21 A. The three distance travel visits, by the way, one, those --

22 Q. Well, Mr. Phillips, can you just answer my question. Does
23 this accurately describe what you did for Bar Works? It's a
24 yes or no question.

25 A. No.

J667MOO7

Phillips - Cross

1 Q. Does not. What's inaccurate in what you put together on
2 this slide?

3 A. Because this is previsit to New York City, and this is a
4 tongue-in-cheek. If you read through the entire deck -- which
5 I'm sure everybody has got to -- there is a lot of humor in
6 here, and so it's basically saying -- at this point I'm getting
7 a little like, hey, guys, are you going to shit or get off the
8 pot -- excuse me French -- and so I'm saying here are the
9 things that I've front-loaded for this organization, so that's
10 what I'm saying, so yes.

11 THE COURT: You did that when? When did you
12 front-load all of this?

13 THE WITNESS: Well, you saw the date of the e-mail.

14 THE COURT: No, I'm just asking you. When did you do
15 all of this front-loading?

16 THE WITNESS: In February. So when I say travel
17 visits, that's to Miami to meet with Jim and with Neil over
18 potentially working together in coworking, and I wrote a press
19 release, and the two different presentations.

20 Q. Mr. Phillips, what's inaccurate about what you described
21 here?

22 A. No, it's accurate. It's vague but it's accurate.

23 Q. OK. So now it's accurate?

24 A. Yes.

25 Q. Mr. Phillips, you wrote that one of the things you did was

J667MOO7

Phillips - Cross

1 a great press release that has peaked interest in the
2 investment community. You wrote that, right?

3 A. I just said I wrote the entire thing, yes, so...

4 Q. And you wrote those words "a press release that has peaked
5 interest in the investment community"?

6 A. Yeah.

7 Q. Didn't you just tell us a few moments ago that you had no
8 idea that there were any marketing materials mentioning your
9 presence at Bar Works that went out to investors?

10 A. Yes, I did.

11 Q. Was that an inaccurate statement?

12 A. That's an inaccurate statement. So, there was a press
13 release. I apologize, I don't remember writing a press release
14 for this.

15 Q. All right. Mr., Phillips, you testified earlier that --
16 now, as a matter of fact, you knew that United Property Group
17 had used press releases with your name to solicit investors,
18 right?

19 A. I can't remember. I don't recall anything with United
20 Property.

21 Q. Mr. Phillips, you got a set of promotional materials from
22 Mr. Haddow as far back as January 2016, right?

23 A. I don't remember getting anything from Renwick Haddow. If
24 you have an e-mail that I got, then great. I don't remember
25 literally getting anything from Renwick, because all of my

J667MOO7

Phillips - Cross

1 dealings were with Neil.

2 Q. OK. Let's look at Government Exhibit 2004 in evidence.

3 And let's look at -- let's start at the bottom of this e-mail,
4 and let's just look at the heading and going all the way down
5 to your name Sean Phillips on the bottom.

6 A. Can you blow it up a little?

7 Q. I think we're about to.

8 A. Thank you.

9 Q. All right. This is an e-mail from Passion Makes Profit,
10 sean@passionmakesprofit.com. That's you, right, sir?

11 A. Yes.

12 Q. And you are sending this e-mail on January 13, 2016, right?

13 A. Yep.

14 Q. And you're sending it to a number of folks but including
15 James Moore, Neil Storey, Renwick Haddow.

16 A. Um-hum.

17 Q. And there is a number of people from United Property Group
18 on this e-mail, right?

19 A. Right.

20 Q. And you write to them, "Thank you all for such a warm and
21 inspired welcoming." Right?

22 THE COURT: Wait a minute. Before that the subject
23 matter is Bar Works team vibe.

24 THE WITNESS: Um-hum.

25 THE COURT: So, you had a feeling about that in

J667MOO7

Phillips - Cross

1 January 13, 2016?

2 THE WITNESS: So, that would have been a video
3 conference call that I had with the United Property Group
4 people, yeah. Not a visit or anything, but yeah. I didn't say
5 I'm looking forward to meeting each of your personally.

6 Q. Mr. Phillips, you had a video conference call with United
7 Property Group, but you don't know whether or not they were
8 using your name to solicit investors?

9 A. Yes. I mean --

10 Q. Go ahead and answer.

11 A. Yeah, I don't remember anybody using my name.

12 Q. Well, except for the press release that peaked interest in
13 the investment community, right?

14 A. I haven't seen the press release since then, so I'm sure
15 that you have it and you can show people, but ...

16 Q. Let's go up to -- so this is January 13, 2016, and let's
17 just go up top. And let's include the entire e-mail going down
18 to Passion Makes Profit. Do you see an e-mail on January 18,
19 2016 from Neil Storey to Renwick?

20 A. I do.

21 Q. And it reads here. "Hi Renwick. Below FYI. Sean has
22 asked if someone can please send him all relevant information
23 and materials currently being used, so he can crack on (he is
24 aware of the February 1 start date but keen to get a head
25 start/: "bums on seats"). Would you kindly arrange this please?"

J667MOO7

Phillips - Cross

1 Or send to me/Jim to forward on." Then he gives your e-mail
2 address, right?

3 A. Yes.

4 Q. Let's go to the next e-mail. And this is an e-mail from
5 Renwick Haddow, right?

6 A. Sure, yeah, it says his name at the top, yeah.

7 Q. And that's to Neil Storey, to Tahyira Cordner, Jim Moore
8 and Natalie Kent, right?

9 A. Um-hum.

10 Q. Mr. Haddow is writing here, "Hi T. Please see below. Can
11 you pull out all the promotional material: Day pass,
12 membership app, member brochure, week pass. Anything else we
13 use to market to clients. We are also on a number of
14 websites."

15 Does this refresh your recollection that you were
16 provided materials regarding Bar Works from Renwick Haddow?

17 A. Yeah, I was provided certain things, yeah, and most of it
18 was going to look at the different websites which were different
19 coworking websites -- not coworking, but websites that solicit
20 and try to fill empty spaces in coworking places.

21 Q. And that was back in January of 2016, right?

22 A. Yeah.

23 Q. Now, let's look at Government Exhibit 2003. In fact,
24 actually let's go to Government Exhibit 2001, please. Let's
25 blow this up:

J667MOO7

Phillips - Cross

1 Mr. Phillips, this is an e-mail from David Honeyman at
2 the United Property Group.com to team@unitedpropertyinvest.com.
3 Do you see that?

4 A. Yes, I do.

5 Q. It's dated January 13, 2016, right?

6 A. Um-hum.

7 Q. And the subject is Bar Works press release, number 2,
8 January 2016.

9 A. Um-hum.

10 Q. Did a press release go out with your name in or about
11 January of 2016?

12 A. Did a press release go out?

13 Q. Did a press release --

14 THE COURT: He's asking you.

15 A. I don't know. It may have. I don't have any recollection
16 of that, but I see the e-mail that I've never seen before.

17 Q. Do you see the portion of the e-mail that says, "Please get
18 this press release out to your clients immediately regarding
19 the appointment of Sean Phillips" at the top?

20 A. Yes, sir, I see that in the e-mail.

21 Q. Mr. Phillips, if you just wouldn't mind letting me finish
22 my question so the court reporter can take it down.

23 A. Oh, I'm sorry.

24 Q. "Please get this press release out to your clients
25 immediately regarding the appointment of Sean Phillips - the

J667MOO7

Phillips - Cross

1 ex-operations director of Fitness First. This will help old
2 clients (buyers) be convinced to buy more and convince new or
3 potential clients to get involved. This should 'blow out of
4 the water' any fears that clients may have that the business
5 will not be a huge success. You now have the We Work story and
6 the Fitness First story to add to your armoury."

7 Does this refresh your recollection that United
8 Property Group was using your hire or consultancy to promote to
9 clients?

10 A. I can read the e-mail and see that they were obviously
11 doing that at that time, but ...

12 Q. Let's go to the next page. Have you seen this press
13 release before?

14 A. Yes, I have.

15 Q. When did you see it?

16 A. When I wrote that for -- so, if I join forces with Bar
17 Works, it could be used.

18 Q. You wrote this press release, right?

19 A. No. Well, I had some help because I don't know who Kevin
20 Cook is.

21 Q. Sir, what portions of this press release did you write?

22 A. Well, the Sean started at Fitness First with over 500
23 company owned, I did. There is no doubt that the immeasurable
24 commercial value to Fitness First, all of that, that's all from
25 my bio.

J667MOO7

Phillips - Cross

1 Q. Sir, do you see there is a quote in here from cofounder and
2 CEO Jonathan Black?

3 A. Yeah. I didn't write that.

4 Q. But you knew that that was added in the press release,
5 right?

6 A. Yeah, I don't know who gave me that information, but it was
7 either Zoe or somebody in New York that would have helped that.
8 Or I gave them the front part and they wrote the other bits
9 added in. I gave my bio to be used, but that was me part of
10 trying to get hired to help this organization.

11 Q. So, you don't know how this portion of the press release
12 came about? Is that your testimony?

13 A. No, I don't.

14 Q. And, Mr. Phillips, we saw the date on the e-mail was
15 January 13, 2016. Is it still your testimony that you didn't
16 know that your name was being used on press releases that went
17 out to investors as early as January 2016?

18 A. I didn't know the dates those went out, but there is
19 obviously a press release with my name on it.

20 THE COURT: You know it or you didn't know it?

21 THE WITNESS: At that date? I don't know what date --
22 I knew that there was a press release; I didn't know who it was
23 going out to. I know that obviously you had an exhibit that
24 said, you know, and stirred up the investment community.

25 Both of my sales decks that I sent out, those decks

J667MOO7

Phillips - Cross

were to try to make sure that I got the gig with Bar Works, so it's very forward facing into a more sales point of thing. But I understand in the cold light of day what is written, the 7500 and all of that from what you said earlier, so, yes.

Q. Mr. Phillips, when you say forward facing, does that mean talks about things that hadn't happened yet as if they happened?

A. No. That's basically saying, hey, if I get involved, here is what can be used, here's my credentials.

Q. OK. Now, Mr. Phillips, let's look at Government Exhibit 2008. And you can see focusing on the second half of this message, that's the e-mail from you with the deck and the invoice that you sent to Neil Storey and James Moore, right?

A. Yeah.

Q. And you sent that February 17, 2016?

A. Yeah.

Q. So by February you were already invoicing \$7500 for your work, right?

A. Yeah, probably. I mean I know that I had invoiced, so that's the date and there is an invoice attached there, so yes.

Q. And prior to that you had made a proposal to Jim Moore that you get paid \$78,000; isn't that right?

A. Yeah, there were a number of different proposals because there were -- you know, nothing was happening. So, of course, as somebody who is trying to get paid to do a job, you go and

J667MOO7

Phillips - Cross

1 say, hey, well, what about this? What about this? Hey, how
2 about -- because one of the decks was, hey, hire Sean Phillips
3 for three months at 7500 and here you go, a month, instead
4 of -- or the three months may have been 7800. I know you guys
5 have had those decks, so ...

6 Q. But by this point you still hadn't really done anything for
7 Bar Works, right?

8 A. I don't know what your definition of done anything for Bar
9 Works.

10 Q. Well I'm using your words, right? You said you didn't
11 really do anything for Bar Works, right?

12 A. Sure. I mean they used my name.

13 Q. Let's look at the top part. Do you see an e-mail chain
14 that goes on forwarding your invoice and deck by Neil Storey to
15 AnaKP 2014, which is an email associated with the defendant?
16 Do you see here Neil Storey writes, "Quality. We need to get
17 him paid quickly, Jim. We can't risk losing Sean, and I think
18 he's beginning to wonder."

19 A. Yeah, wondering if I'm ever going to get paid, yeah.

20 THE COURT: Paid for what?

21 THE WITNESS: Paid for -- I invoiced. Because the
22 only way that I was going to do anything was if I could get
23 paid to do it, and so whether it be the decks and giving my
24 membership ideas and everything else -- the whole beginning of
25 this thing was to get involved and help sell memberships in Bar

J667MOO7

Phillips - Cross

1 Works plain and simple. It's always been the way until I
2 visited New York.

3 Q. Mr. Phillips, do you see Jim Moore responds, "Sure, I
4 agree. Renwick will ask 'what is he actually going to do?'
5 But I agree. Please give some thought as to how we can have
6 him turn his decks and pitches into actual member sign-ups."
7 Do you see that?

8 A. Yeah.

9 Q. Is it fair to say that at this point the only thing you had
10 done are some decks and pitches and no work for Bar Works?

11 A. A number of different ideas that I had put forward that
12 could be instantly turned into the entire membership model for
13 that organization, yes.

14 Q. And as of February 17, 2016, isn't it true that Mr. Haddow
15 didn't even know what you were going to do for the organization
16 after you were hired by Jim Moore?

17 A. I don't know what he knew or didn't know.

18 Q. Now, when you started at Bar Works you asked questions
19 about their membership, right?

20 A. Yes.

21 Q. That's what you have to do as a future membership director,
22 right?

23 A. Yes.

24 Q. How many members did Bar Works have?

25 A. I don't recall how many.

J667MOO7

Phillips - Cross

1 Q. Ballpark?

2 A. Five.

3 Q. Five members?

4 A. That's a ballpark, yeah. I don't know how many they had,
5 because I didn't see any raw or any data showing me the number
6 that they actually had and what they were paying or anything.

7 Q. When did you learn that there were five members at Bar
8 Works?

9 A. I never learned how many members Bar Works had.

10 Q. Well, where did the five that you just gave come from?

11 A. You asked for a ballpark number. I gave you a number. My
12 ballpark could be five, it could be a hundred. It could be.
13 But the day I spent there I didn't see very many members at
14 all, so I don't know. I really don't know.

15 Q. This is important, Mr. Phillips. What day are you saying
16 you were there?

17 A. Whatever day it shows in March that I was there. You have
18 an agenda of the day. I think it was March 9 or 10, something
19 like that.

20 Q. OK. And I think you testified on direct examination you
21 believe that's the first time you went to Bar Works.

22 A. I've only been to New York to Bar Works one time.

23 Q. Mr. Phillips, in March 2016 how many members did you see at
24 the Bar Works location?

25 A. I don't know if they were all members. Some people were

J667MOO7

Phillips - Cross

1 there as part of kind of an event they were having, because
2 some of the members got cleared out on that day, so I really
3 don't know how many members were there.

4 How many did I see? I saw maybe ten people, but I
5 can't tell you which ones were members and which ones weren't.

6 Q. Ten people total, right?

7 A. Well, that were there for any length of time doing any
8 work, but some of those people had come in to meet other
9 people, so really don't know how many members.

10 Q. And was the defendant there in March the same time that you
11 were?

12 A. That's when the Dolphin Capital was there and Mr. Moore was
13 there, yes.

14 Q. Was Mr. Moore at the Bar Works location with you?

15 A. No, he wasn't at the Bar Works location with me when I
16 first went in there, no.

17 Q. Had you ever met Mr. Moore at a Bar Works location?

18 A. Had I ever met him at a Bar Works location?

19 Q. Yes, sir.

20 A. I think he was at the Bar Works location at least once
21 during that day that I was there, yeah.

22 Q. And during the time that you and he were at that Bar Works
23 location, how many members did you see?

24 A. Again, I couldn't possibly tell you which ones were
25 members, which ones weren't. There weren't that many people

J667MOO7

Phillips - Cross

1 there.

2 Q. And it's your testimony that despite your job being the
3 person to increase memberships, you can't tell us how many
4 members Bar Works had as of March 2016?

5 A. My testimony is I never actually saw hard copies of what
6 exactly the members were at Bar Works and proof of payment or
7 anything, so it's speculation. Somebody could say, yeah, we
8 have 200 members or, yes, we have 50. I never was given
9 concrete here is our members, here is what they're paying, here
10 is where we are at this moment in time.

11 Q. Now you testified that as part of that meeting you also
12 went to a bar at some point, right?

13 A. Went out to dinner.

14 Q. Was that dinner at a bar or restaurant?

15 A. Restaurant.

16 Q. And you testified that you saw Mr. Haddow there, right?

17 A. I did.

18 Q. And you knew that it was Mr. Haddow because you had met him
19 earlier that day.

20 A. Correct.

21 Q. OK. And to be clear, your testimony isn't that Mr. Haddow
22 was at the table with you, right?

23 A. Correct.

24 Q. He was 40 feet away?

25 A. He was a good ways away. He wasn't in earshot at all, no.

J667MOO7

Phillips - Cross

1 Q. And you didn't make eye contact with Mr. Haddow, right?

2 A. No, sir.

3 Q. You didn't communicate in any way to each other. You don't
4 know what he was doing at that restaurant that night if he was
5 there, right?

6 A. No, I don't. I just know he was at the bar.

7 Q. Let's go to Government Exhibit 2011. If we could just
8 focus on the top half portion here. Do you see an e-mail from
9 AnaKP, the address associated with Jim Moore, writing,
10 "Morning Renwick. I suggest we make a list of what we need
11 addressing ASAP and pay this guy right away. In fairness, we
12 have had him walking around most of the month, so hard for us
13 to complain about his invoice."

14 A. Did you say walking around? You mean waiting around?

15 Q. Waiting around. I'm sorry, Mr. Phillips. And that's
16 accurate, right? You had been waiting around most of the time?
17 Is that accurate, Mr. Phillips, you had been waiting around
18 most of the time?

19 A. Waiting for payment, yes.

20 Q. And at the top do you see an e-mail from Mr. Haddow to Neil
21 Storey and AnaKP, it says "paid".

22 A. Yep.

23 Q. Does that refresh your recollection that you were paid
24 \$7500?

25 A. It tells me that I was, yeah.

J667MOO7

Phillips - Cross

1 Q. Can we pull up Government Exhibit 2013. And let's just
2 look on the bottom, please. This is an e-mail from Bar Works
3 Inc. with the address info@barworks.nyc, and it's signed on the
4 bottom as Renwick. Do you see that?

5 A. Yeah.

6 Q. So you knew that Renwick Haddow was using info@barworks.nyc
7 as an e-mail address?

8 A. Yeah, I guess. I mean somebody was, yep. But I don't know
9 who else has access to info@barworks but, yeah, it looks like
10 Renwick obviously did.

11 Q. You knew he was using that, right?

12 A. I see an e-mail.

13 Q. And Mr. Haddow writes to you here, "Hi Sean. Good speaking
14 to you the other day. Hope you are having a good week. How
15 are things progressing with the Bar Works project? Is there
16 anything you want to run by me yet?"

17 Did Mr. Haddow ask you what you were doing for Bar
18 Works in February 2016?

19 A. On his e-mail?

20 Q. In your recollection, sir.

21 A. No.

22 Q. This e-mail does not refresh your recollection that he
23 wanted to know what you had been up to?

24 A. No. I mean I was still trying to figure out whether things
25 were going to move forward with Bar Works.

J667MOO7

Phillips - Cross

1 Q. Well, you had already invoiced \$7500 by the time of this
2 e-mail, right?

3 A. Yeah.

4 Q. And let's just scroll up to your response. Could you
5 read -- that's from you, right?

6 A. Yeah, no, we read about it earlier in my testimony, yeah.

7 Q. Could you read what you wrote to Mr. Haddow.

8 A. "Hi Renwick. It was great speaking to you and hearing your
9 passion and enthusiasm for the Bar Works rollout. I don't have
10 anything I need to run by you yet, but I am sure I will after
11 speaking to Zoe on Monday. I did not get her e-mail address,
12 as I think you accidentally hit an "I" instead of an "O" when
13 sending your e-mail to me, and I just got lucky and I received
14 it. Zoe was not included on the forwarded e-mail from the
15 server. If it's easier to use my sean@suresean.com email, then
16 feel free to throw stuff at me that way. My goal is to
17 simplify the membership sales price (like you have with the
18 pricing model) and the potential members ability to access
19 joining. After speaking to Zoe at length, I would like to get
20 to New York City quickly therefore and then be able to quickly
21 implement a plan to start meet, greeting and filling seating."

22 Q. Just a quick question on this one, Mr. Phillips. Mr.
23 Haddow had introduced his wife to you as Zoe, right?

24 A. He introduced Zoe. I'm not sure he introduced her as his
25 wife at that time.

J667MO07

Phillips - Cross

1 Q. All right. And we can take that down.

2 Did there come a time when the defendant asked you for
3 advice on how to better pitch leases to investors?

4 A. Leases to investors?

5 Q. Work space leases, sir.

6 A. I don't even know how that works, so ...

7 Q. You don't know how the investment side of Bar Works was
8 structured in any way?

9 A. I don't know what a work space lease entails of.

10 Q. And is that true for Bar Works and Our Space?

11 A. It's true for -- I don't -- that's not -- that wasn't my
12 lane. I was there to sell memberships and to use my name to
13 recruit talent for the growth of Our Space.

14 Q. Is it your testimony that you didn't even know that
15 investors were buying work space leases?

16 A. I know that investors were investing. I don't know how
17 they're investing. There were talk of debentures, talks of
18 different things like that. But my testimony is I don't know
19 how a work space lease actually works. People are buying --
20 investing in Bar Works or any other coworking type of thing
21 like that.

22 Q. Could we pull up --

23 A. And I am just saying that so you don't ask me technical
24 questions about that, because I'm not going to know.

25 Q. Well, if you don't know, Mr. Phillips, you can say so.

J667MOO7

Phillips - Cross

1 A. OK.

2 Q. Can we pull up Government Exhibit 2014.

3 And focusing on this e-mail, do you see at the top
4 this is an e-mail chain between Jim Moore, yourself, Renwick
5 Haddow and Neil Storey?

6 A. Um-hum.

7 Q. You see the subject is "Input please".

8 A. Um-hum.

9 THE COURT: I think you need to answer for the record.

10 A. Oh, yes.

11 Q. And the date is February 23, 2016, right?

12 A. Yep, that's what it says.

13 Q. Let's go to bottom of this e-mail chain. This is an e-mail
14 from Mr. Moore that begins this e-mail chain, right?

15 A. Yep.

16 Q. And he writes, "Hi guys. Can I please get your input on
17 some of the membership/revenue questions in yellow. I also
18 have a question regarding Time Square ... is the capacity 300
19 members or 300 work paces? Shouldn't we be saying something
20 like capacity 1,000 members ... 300 at any time - so people do
21 the headline revenue on 1,000 memberships? Let me have your
22 thoughts please. Neil and I are on a call tomorrow on this."

23 Do you recall receiving and responding to this e-mail?

24 A. Yeah, we are talking about capacity of members, yeah.

25 That's why I am on that e-mail, I believe.

J667MOO7

Phillips - Cross

1 Q. You understood that Mr. Moore was talking about how he was
2 going to pitch the work space lease model to investors, right?

3 A. I just know -- I took this e-mail as capacity of members.

4 And the reason with your head nod like that is because in a
5 health club model what happens is that you have -- I'm sure a
6 lot of people here are members of health clubs and don't go.
7 There are also lots of people who become members of coworking
8 places that end up having a membership or leasing space within
9 there, and they travel for their job, or they go other places,
10 so it leaves a large unfilled capacity.

11 That's why you have a number of health clubs in the
12 word that will have 45 treadmills but only during peak times
13 are they ever filled; a lot of members are doing other things
14 or whatever. And the same thing -- I think that's the crux of
15 the question is, hey, how many people can you get there at any
16 one time, but do they -- do they all really show up.

17 And so that's the capacity question, OK, Sean, hey,
18 from a membership point of view really what is this? I mean at
19 Fitness First we sold more memberships than almost anybody on
20 the plant, and the biggest question I used to get is: What if
21 they all show up at the same time? And we all know they don't,
22 anybody that's been a member of any fitness --

23 Q. Mr. Phillips, going back to my question, this is asking for
24 your advice on something that's going to be a pitch to
25 investors, right?

J667MOO7

Phillips - Cross

1 A. I don't know. Input on membership revenue questions is
2 what I gave my input on.

3 Q. OK. Mr. Moore writes here that he wants people to do the
4 headline revenue on 1,000 memberships, right?

5 A. That's what it says, yeah.

6 Q. That means he wants to take the amount that you can charge
7 each member. And you know how much Bar Works was charging,
8 right?

9 A. No, I can't remember.

10 Q. That's something you would have found out?

11 A. I can't remember what they were charging.

12 Q. Does around \$500 sound accurate?

13 A. I don't know. I'm not sure; they had different potential
14 membership, but, fine, we can use 500 if you want to.

15 Q. Well, whatever amount that Bar Works said they would be
16 charging members, people could multiply that amount by the
17 total amount of capacity, right?

18 A. Sure. There are a number of different ways that people can
19 I'm sure figure that out, but yeah.

20 Q. And that would tell investors how much money a Bar Works
21 location could bring in, right?

22 A. Yeah, at capacity I guess you could probably do that math
23 and say, oh, gee.

24 Q. And you understood that the investors were supposed to be
25 paid out of membership money, right?

J667MOO7

Phillips - Cross

1 A. I don't know honestly how the investors got paid.

2 Q. All right. Well, let's look at your response to this
3 e-mail. You suggested to the defendant that he use the number
4 of work spaces instead of the total number of potential
5 members, right?

6 A. Yeah, it's kind of what I just explained, that, you know,
7 the number of people can be greater, so that's why.

8 Q. And where you wrote "I'm not sure the 300 at any one time
9 adds any value to an investor," it's still your testimony that
10 you had no idea that this was about an investor pitch?

11 A. No, no, I'm saying I don't know how it's being sold. What
12 I'm saying is the 300 at any one time, again, I'm looking at a
13 membership point of view, so 300 at any one time and the word
14 "capacity" in there is what I'm looking at. So, that's my
15 testimony plain and simple. Obviously, all of this stuff here
16 is asking how they use that information towards investors, so I
17 understand that, yeah.

18 Q. You did understand that this was geared towards a pitch for
19 investors, right?

20 A. I understood this was a question about membership that was
21 being used for an investment.

22 Q. And let's just go up to Mr. Moore's response. What did the
23 defendant write to you?

24 A. "Hi Sean. Thanks for this. Appreciated. As it is for a
25 lease investor pitch may stick with the capacity number . . ."

J667MOO7

Phillips - Cross

1 OK.

2 Q. Does that refresh your recollection that you are talking
3 about how to pitch leases to investors, right?

4 A. That's great, but I still don't know what that lease is, so
5 that's -- but, yes, it says that, yeah.

6 Q. And Mr. Moore wanted to stick with the higher 1,000
7 capacity number rather than the lower 300 work space number,
8 right?

9 A. A typical salesperson would want to do that, but people
10 understand that, yeah, that's the capacity. So, like I just
11 explained earlier, you could think on the larger side of things
12 that, yeah, OK, you could actually get 1,000 people in there
13 because of what I've just said and so, yeah, yes, you're
14 correct.

15 Q. Mr. Phillips, is it your hope that by testifying here today
16 for the defendant that you will get paid \$100,000 you believe
17 you're owed by Our Space?

18 A. I'm never getting that money.

19 Q. Why aren't you ever getting that money?

20 A. Because I don't believe that Our Space that's based in
21 Dubai is ever going to give me a dime, and so -- yeah, I'm not
22 here for that reason at all, but thank you --

23 MR. VAINBERG: Nothing further.

24 A. -- for bringing up a painful subject.

25 THE COURT: It's quarter to five. I think we're going

J667MOO7

Phillips - Cross

1 to have to end for today, so we will pick up in the morning
2 with any further questioning of Mr. Phillips.

3 So, we will say good evening to everybody and proceed,
4 and we will see you tomorrow at 9:15.

5 Just for the jury's benefit, anymore witnesses for the
6 defense after Mr. Phillips?

7 MR. GARVIN: Yes, your Honor, one.

8 THE COURT: One more? OK, thanks.

9 (Jury not present)

10 THE COURT: OK. So we will see you tomorrow morning.

11 Let's get a sense of the length of the next witness.

12 MR. GARVIN: I think it would be approximately the
13 same length, your Honor, as this witness, and I believe that
14 this witness probably only has ten or 15 minutes on redirect.

15 THE COURT: On redirect, OK. Well, with as late as
16 we've gone, I don't like to keep this jury.

17 MR. GARVIN: I'm not questioning.

18 THE COURT: So we will pick up 9:15, and you will get
19 your questions.

20 He knows that you and he can't communicate between now
21 and --

22 MR. GARVIN: I don't know if he knows that, but he is
23 going to definitely know that.

24 THE COURT: OK, see you tomorrow.

25 Well, let's see. So, it seems to me we're going to

J667MOO7

Phillips - Cross

1 get to the charge conference tomorrow morning.

2 MR. GARVIN: Yes, sir.

3 THE COURT: We can do that really early, and then we
4 will be ready to roll. I'll meet you at 8 o'clock, and we will
5 knock out the charge conference, and then we can finish by
6 noon.

7 MR. BELL: Judge, I've got child care responsibilities
8 in the morning.

9 THE COURT: Well, you've got a great assistant right
10 here; he can cover for you at the charge conference.

11 MR. BELL: OK.

12 THE COURT: OK, see you tomorrow. So I will meet you
13 here in the courtroom at 8.

14 MR. GARVIN: Your Honor, there was an issue with the
15 juror?

16 THE COURT: We're going to tell that juror that they
17 don't have to be here tomorrow.

18 MR. GARVIN: Yes, your Honor.

19 THE COURT: And Mr. Moore needs to be at the charge
20 conference?

21 MR. GARVIN: No, sir.

22 THE COURT: Can you waive his appearance?

23 MR. GARVIN: Yes, I am waiving his appearance for the
24 charge conference tomorrow morning.

25 THE COURT: So, we will ask Mr. Moore be brought back

J667MOO7

Phillips - Cross

1 at 9:15. Thanks. OK. I will see everybody tomorrow.

2 (Adjourned to July 7, 2019 at 9:15 a.m.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 INDEX OF EXAMINATION

2	Examination of:	Page
3	RENWICK HADDOCK	
4	Cross By Mr. Garvin	500
5	Redirect By Mr. Vainberg	551
6	Recross By Mr. Garvin	559
7	NEIL HENDELMAN	
8	Direct By Mr. Bell	560
9	JASON RIVERA	
10	Direct By Mr. Bell	582
11	FATIMA HAQUE	
12	Direct By Mr. Vainberg	607
13	Direct By Mr. Vainberg	627
14	Cross By Mr. Garvin	635
15	Direct By Mr. Garvin	646
16	Cross By Mr. Vainberg	670

17 GOVERNMENT EXHIBITS

18	Exhibit No.	Received
19	1250	560
20	550	562
21	1255	564
22	500 through 526	564
23	527	566
24	528	569
25	310X	573

